

EXHIBIT H

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 -----X
4 SECURITIES INVESTOR PROTECTION :
5 CORPORATION, :
6 Plaintiff-Applicant, :
7 -vs- : 08-01789 (SMB)
8 BERNARD L. MADOFF INVESTMENT :
9 SECURITIES, LLC, :
10 Defendant. :
11 -----X

12 In re: :
13 BERNARD L. MADOFF, :
14 Debtor. :
15 -----X

16 *** CONFIDENTIAL ***
17 DEPOSITION OF BERNARD L. MADOFF

18 (Taken by the Customers)

19 Butner, North Carolina

20 June 15, 2016

21
22
23
24 Reported by: Lisa A. DeGroat, RPR
25 Notary Public

A P P E A R A N C E S

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Robert Collier

CONFIDENTIAL DEPOSITION OF BERNARD L. MADOFF,
taken by the Customers, at the Federal Correctional
Institution, Butner Medium I, Old NC Highway 75,
Butner, North Carolina, on the 15th day of June,
2016, at 8:50 a.m., before Lisa A. DeGroat,
Registered Professional Reporter and Notary Public.

C O N T E N T S

The Witness: Bernard L. Madoff	Examination
By Ms. Chaitman	6
By Ms. Brown	68
By Ms. Chaitman	105

I N D E X O F T H E E X H I B I T S

Madoff For Identification

Exhibit 1	Order Authorizing the Deposition .	4
Exhibit 2	Declaration Opposing Trustee's Treatment of Profit Withdrawals .	9
Exhibit 3	8/31/84 statement	14
Exhibit 4	12/31/85 statement	28
Exhibit 5	6/30/86 statement	30
Exhibit 6	7/31/86 statement	33
Exhibit 7	2/28/89 statement	34
Exhibit 8	10/31/89 statement	35
Exhibit 9	4/30/90 statement	37
Exhibit 10	12/31/90 statement	61
Exhibit 11	5/31/95 statement	61
Exhibit 12	Declaration of Bernard L. Madoff .	92
Exhibit 13	Aaron Blecker file, MADTTBB01988418-MADTTBB01988420 . .	101
Exhibit 14	Aaron Blecker file, AMF00154125-AMF00154157	103

1 (MADOFF EXHIBIT 1 WAS MARKED FOR
2 IDENTIFICATION.)

3 * * * * *

4 THE VIDEOGRAPHER: We are now on the
5 record.

6 Please note that the microphones are
7 sensitive, and they pick up whispering and
8 private conversations. Please turn off all
9 cellphones or place them away from the
10 microphones, as they can interfere with the
11 deposition audio. The recording will continue
12 until all parties agree to go off the record.

13 My name is Bob Collier, representing
14 Veritext Legal Solutions. Today's date is
15 June 15th, 2016, and the time is approximately
16 8:50 a.m.

17 This deposition is being held at the
18 Federal Correctional Institute, Butner,
19 Medium I, located at Old Highway 75, Butner,
20 North Carolina.

21 The caption of this case is In re:
22 Securities Investor Protection Corporation,
23 Plaintiff-Applicant -v- Bernard L. Madoff
24 Investment Securities, L.L.C., Defendant; in re:
25 Bernard L. Madoff, Debtor.

1 This case is being held in the
2 United States Bankruptcy Court, Southern
3 District of New York. Case number 08-017889
4 (SIC) (SMB). The name of the witness is
5 Bernard L. Madoff.

6 At this time the attorneys present in
7 the room and everyone attending remotely will
8 identify themselves and the parties they
9 represent.

10 MS. CHAITMAN: Helen Davis Chaitman, of
11 Chaitman, L.L.P., on behalf of a large number of
12 Madoff customers.

13 MR. DEXTER: Greg Dexter, Chaitman,
14 L.L.P. I'm here with Helen Chaitman,
15 representing a large number of Madoff customers.

16 MS. BROWN: Seanna Brown, on behalf of
17 Irving Picard, trustee.

18 MS. VANDERWAL: Amy Vanderwal, on
19 behalf of the trustee.

20 THE VIDEOGRAPHER: Our court reporter,
21 Lisa DeGroat, representing Veritext Legal
22 Solutions, will swear in the witness. Then we
23 can proceed.

24
25 * * * * *

P R O C E E D I N G S

Whereupon,

BERNARD L. MADOFF,

having been duly sworn,

was examined and testified as follows:

DIRECT EXAMINATION BY COUNSEL FOR CUSTOMERS

BY MS. CHAITMAN:

Q. Good morning, Mr. Madoff.

A. Good morning.

Q. I'm going to be asking questions initially.

This deposition has been ordered by Judge Bernstein to be limited to the issue of profit withdrawals that were generated by the trading strategy that you had in the 1980s and into the 1990s, where you were investing in subordinated convertible debentures.

A. Uh-huh.

Q. And the judge has ordered that your testimony be limited to that subject, and I would appreciate if you would do so.

A. Uh-huh.

Q. Thank you.

MS. BROWN: Helen, before you begin, can I put the other orders on the record?

MS. CHAITMAN: I'm sorry. I --

MS. BROWN: That's okay.

1 MS. CHAITMAN: Yeah, I forgot.

2 MS. BROWN: That's okay.

3 Mr. Madoff, before we go any further, I
4 do want to tell you today about several
5 protective orders that govern the overall
6 bankruptcy case and the specific deposition.

7 The first is the litigation protective
8 order, which governs the entire bankruptcy.
9 And, Mr. Madoff, I have provided you a copy of
10 that order before we began here today.

11 Could you confirm that you have signed
12 the litigation protective order?

13 THE WITNESS: Yes, I did.

14 MS. BROWN: Thank you.

15 And, as Ms. Chaitman just mentioned,
16 there is a second protective order that governs
17 this specific deposition. The order has been
18 marked as Madoff Exhibit 1, and, as Ms. Chaitman
19 indicated, the bankruptcy court gave permission
20 for this deposition to go forward with certain
21 limitations. That order bears the docket number
22 13060.

23 The deposition must be limited to
24 profit withdrawal transactions and the issues
25 related to that -- to those transactions, and

1 none of the counsel here today are permitted to
2 go outside the scope of the profit withdrawal
3 issue.

4 And, specifically, counsel is not
5 allowed to ask you any questions about
6 Mr. Jeffry Picower or any of his accounts.

7 I am also required to instruct you,
8 Mr. Madoff, that your testimony must be limited
9 to BLMIS's profit withdrawal transactions, and
10 you're not permitted to testify about any other
11 issues.

12 Do you understand those limitations?

13 THE WITNESS: Uh-huh, yes.

14 MS. BROWN: And before we go any
15 further, I'd also like to note for the record
16 that the order permitting this deposition to go
17 forward states that the entire transcript of
18 Mr. Madoff's deposition is confidential and
19 shall remain under seal for 60 days or the day
20 after a final non-appealable order is entered
21 concerning any alleged or actual violations of
22 the order limiting this deposition.

23 And the order further states that the
24 court may impose sanctions upon any person or
25 entity that violates the protective order that's

1 marked as Madoff Exhibit 1.

2 Thank you.

3 (MADOFF EXHIBIT 2 WAS MARKED FOR
4 IDENTIFICATION.)

5 BY MS. CHAITMAN:

6 Q. Okay. Mr. Madoff, I'd like to show you
7 what I've marked as Madoff Exhibit 2. Is that your
8 signature on page three?

9 A. Yes.

10 Q. And do you recall signing this Declaration?

11 A. Yes.

12 Q. Now, if you'd just look at paragraph two.
13 I just want to read this into the record.

14 It says, "In the investment advisory
15 business stockbrokers do not send checks to
16 customers unless they specifically request a
17 withdrawal. In fact, I cannot recall a single
18 instance in my career where I sent a check to a
19 customer that did not request it."

20 "Sometimes the requests would be for a
21 quarterly payment of a fixed amount, like \$25,000.
22 Sometimes I would receive a request for a large
23 withdrawal, such as \$250,000, but I cannot ever
24 recall sending a check to a customer who did not ask
25 for a withdrawal."

1 Is that still your testimony?

2 A. That is. I assume when you're stating,
3 "I," you're referring to the firm.

4 Q. Yes.

5 A. Okay.

6 Q. Yes. But that -- that is accurate today?

7 A. Yes, it is.

8 Q. Okay. And paragraph three reads,
9 "Moreover, there were no recorded phone lines in the
10 1990s. Hence, we did not accept verbal instructions
11 from customers. If they wanted withdrawals, they
12 had to specifically request them in writing, and we
13 retained copies of all such requests in our customer
14 files."

15 "If there are no such requests in our
16 files, that indicates that the customer did not
17 request any withdrawals and would not have received
18 any checks."

19 Is that still true in your --

20 A. Yes.

21 Q. Okay. Now, do you recall any instance when
22 there was a loss of customer files within your
23 office?

24 A. A loss of customer files? I really didn't
25 keep the files themselves. I mean, I was not

1 responsible for that. So, you know, it's possible,
2 but, you know, I doubt it.

3 Q. Were your instructions to your staff to put
4 letters from customers requesting withdrawals in the
5 customers' files?

6 A. Yes. That's what --

7 Q. Do you recall ever being told that any of
8 those letters had been misplaced or lost?

9 A. No, I do not.

10 Q. And at the time that the trustee was
11 appointed, do you have any reason to believe that
12 those files were not intact?

13 A. No.

14 Q. Now --

15 A. Well, let me correct something.

16 Q. Sure.

17 A. I mean, there is -- there's a six year
18 record required -- record-retention requirement in
19 the securities industry. So there was a -- a period
20 of time when the records might have been destroyed
21 once they went past that period of time, you know.

22 You know, that's something that, you know,
23 I -- I was not in charge of. So, you know, I paid
24 no attention to that. That was under the -- usually
25 the supervisor's jurisdiction.

1 Q. Okay. But if, for example, there were
2 letters from customers dating from the 1980s in some
3 of the files, would you agree that there was no
4 policy to destroy letters from a certain period of
5 time?

6 A. Well --

7 MS. BROWN: Objection.

8 THE WITNESS: You know, as I said, I --
9 I don't know -- to my -- to my -- my
10 recollection was that there were routine
11 destruction of records after -- you know, after
12 a certain number of years, because, you know,
13 we -- we would have filled up, you know, an
14 impossible amount of space retaining all the
15 records.

16 So I -- you know, I -- as a general
17 rule, we kept customer records going back longer
18 than the six year period, because customers
19 typically needed to refer to records or their
20 accountants needed to refer to records to get
21 cost basis and things of that sort.

22 So customer records were kept longer
23 than counterparty records, like other
24 broker-dealers. As a matter of fact, the
25 industry had a practice of not requiring any

1 hard copy to be -- to be kept of any records as
2 long as the records could be reduced -- could be
3 produced within 40 -- 48 hours for an
4 examination, because it was an -- it was an
5 impossible task for firms to maintain all -- all
6 their records.

7 BY MS. CHAITMAN:

8 Q. So is it fair to say that either the
9 records were maintained on computer or they were
10 maintained in paper files?

11 A. Yes.

12 Q. Okay. So when you say that the records
13 would be destroyed, they would actually just be
14 digitized for computer storage; is that right?

15 A. I believe that's the case. Yes.

16 Q. Okay. Now, when new customers came to you
17 at the inception of the relationship, did you -- did
18 you similarly require that any requests for
19 withdrawals be put in writing?

20 A. Yes.

21 Q. And they would have to be signed by the
22 customer?

23 A. Yes.

24 Q. Do you recall a customer named Aaron
25 Blecker, B-l-e-c-k-e-r?

1 A. The name sounds familiar, but, you know, I
2 can't -- I can't tell you exactly.

3 Q. Right. I understand. You had a lot of
4 customers.

5 He -- he was married to a woman named Sofie
6 Blecker, and he first opened an account in 1981, and
7 he had accounts through December of 2008. And do
8 you recall -- you don't recall him?

9 A. Not particularly.

10 (MADOFF EXHIBIT 3 WAS MARKED FOR
11 IDENTIFICATION.)

12 BY MS. CHAITMAN:

13 Q. Okay. Let me show you what I've marked as
14 Exhibit 3. I apologize for the copy, but this is
15 one of those records that was stored on computer,
16 and this is the best we have.

17 A. Uh-huh.

18 Q. So this is a statement, dated August 31,
19 1984 for Arthur and Sofie Blecker, and it -- it
20 appears to be New York -- oh, no. Let's see where
21 the account number is. Can you tell me, do you see
22 the account number on this?

23 A. Yeah.

24 Q. Where is it?

25 A. Where is the account?

1 Q. The account number. Where --

2 A. Oh, 0 -- 1002151-0.

3 Q. Okay. And do you recall what the 1-0
4 indicated?

5 A. No.

6 Q. Okay. This is as of August 31, 1984.

7 A. Okay.

8 Q. Okay. Can you -- are you able to -- to --
9 I'd like to go through line by line on this
10 statement, and I'd like you to explain to me what
11 the statement reflects as to the transactions in the
12 account.

13 If we start with the first line, it looks
14 like the balance forward is \$183,004.83. Can you
15 make that out?

16 A. Yes.

17 Q. Okay. And then on August 23rd, it's -- it
18 looks like under the column, "Long" --

19 A. Uh-huh.

20 Q. -- there are 4,700 shares of Household
21 International, Inc.; is that right?

22 A. Correct.

23 Q. And those were received; is that right?

24 A. Correct.

25 Q. And do you recall why that wouldn't have a

1 dollar amount as a credit to the account?

2 A. It -- received has a -- wait. There is no
3 dollar amount next to received. That's just a -- an
4 entry of receiving the securities into the account.

5 Q. What does that mean, though?

6 A. The securities were delivered and received
7 either from conversion or from -- it had to be from
8 conversion for this type of an account.

9 So the -- these are arbitrage accounts,
10 where the client buys a security, sells a related
11 security to that. In fact, they buy a convertible
12 bond. Then they sell the stock or they provide
13 convertible preferred and sell the stock short
14 against the box.

15 Then when that transaction is closed out,
16 the security would be received. It would either be
17 received from the conversion agent or the bank or
18 whoever. That's why there's no dollar amount on the
19 received. That just means the account was credited
20 with the physical securities.

21 Q. But isn't that an asset that belongs to the
22 account --

23 A. Yes.

24 Q. -- holder?

25 A. Yeah.

1 Q. And so then why wouldn't the value of the
2 asset be reflected in the credit column?

3 A. It just isn't. It's not the common
4 practice to receive that. You know, at least not in
5 our booking procedure. Remember, this is movement
6 of -- of the securities.

7 Dollar amounts only, you know, hit the
8 account when there's actually money movement, not
9 physical securities movement. The valuation of
10 the -- of this -- the securities that are in the
11 account would be at the end of the month. Usually
12 there's a valuation.

13 Q. I see. But this statement is 8/31/84. So
14 it was the end of August 1984?

15 A. Well, 8/23 would not be --

16 Q. Oh, I see. Yeah.

17 (DISCUSSION HELD OFF THE RECORD.)

18 THE WITNESS: 8/23 would not be the end
19 of the month.

20 BY MS. CHAITMAN:

21 Q. Okay. But if the statement is as of 8/31,
22 wouldn't there then be another line, which would be
23 8/31, and it would have the value of those shares?

24 MS. BROWN: Objection.

25 THE WITNESS: Only if the account was

1 long those securities at the end of the month.

2 BY MS. CHAITMAN:

3 Q. Okay. Okay. So let's take the next line.
4 August 23rd. 2,056 shares were received. So that's
5 the same thing we just talked about; right?

6 A. Correct.

7 Q. And then the next line says, "August 23rd,
8 Household International, Inc., preferred
9 convertible;" is that -- what is that --

10 A. Convertible preferreds. A convertible
11 preferred -- preferred security. Where it says,
12 "delivered."

13 Q. Right.

14 A. Okay. That was the -- if you add them up,
15 you're going to get the same amount of -- I can't
16 read this thing.

17 Q. It says, "4,504." You're short 4,504?

18 A. Right.

19 Q. So you're long 4,700 and 2,056, and you're
20 short 4,504?

21 A. Uh-huh, because they're -- they're two
22 different securities. The Household --

23 Q. Okay.

24 A. One is the common, which is the first
25 lines, which must have been short. And the -- the

1 4,500, it says -- if you look at the next line,
2 "Convertible preferred."

3 Q. Okay.

4 A. Those -- those were -- you know, those were
5 the securities that were convertible.

6 Q. Okay. But isn't the 4,504 in the short
7 column, so weren't -- weren't -- wasn't the account
8 long, the first two lines?

9 A. Yeah. It -- it was received into the
10 account. At that moment, 8/23, the account would
11 have been long. That -- and it would have been --
12 would have been short the second line.

13 If there's no money movement -- if there's
14 no money stated there, those are just the security
15 movements in the account.

16 Q. Okay. So the first two lines, just to be
17 clear, 4,700 and 2,056, you're long for Household
18 International, Inc.?

19 A. Right.

20 Q. And the third line, you're short for the
21 convertible preferred?

22 A. That's correct.

23 Q. Okay.

24 A. Or it -- that's right.

25 Q. And then underneath, in the next column, on

1 the first two lines it says, "Received;" right?

2 R-e-c-d --

3 A. Right.

4 Q. -- is received?

5 And the third line, which is where you're
6 short, it says, D-e-l-v?

7 A. Delivered. Correct.

8 Q. Delivered. What is the difference between
9 received and delivered?

10 A. One is you're -- you're crediting the
11 account. One is you're debiting the account. In
12 other words, if you're -- when you're doing a
13 convertible -- when you're doing an arbitrage
14 security, you -- the account originally -- you'd
15 have to look at what happened the previous --
16 previous period.

17 You would -- one would have been long --
18 long, and one would have been short. Then once the
19 conversion is made or the -- or the transaction is
20 closed out, then the accounts get debited and
21 credited by the -- by the movement of the securities
22 in the account.

23 Q. Okay. So the next line, 8/20 -- okay. So
24 I -- I apologize, this is so hard to read, but
25 the -- if you look at the top column, it says, T,

1 dash, D. Is that time-date or -- do you see -- can
2 you see that?

3 A. Yeah.

4 Q. What is -- do you know what that is?

5 A. Trade date, settlement date, it looks like.

6 Q. Oh, perfect. Okay. So trade date,
7 settlement date. I got it. That's helpful. Okay.
8 So now if we go to the trade date, 8/20, and then
9 the settlement date, 8/27, it looks like there's
10 3,159 shares of Katy --

11 A. -- Industries.

12 Q. -- Industries?

13 A. Right.

14 Q. Okay. And so that's an asset that's in the
15 account, right, because there's a --

16 A. It was bought.

17 Q. Oh, it --

18 A. It was purchased on that date.

19 Q. It was purchased. So there's a debit,
20 because you have to pay for the shares?

21 A. Correct.

22 Q. Got it. Okay. So the next line is 8/21.
23 It's -- the account is short 2,100 shares of Katy
24 Industries; right?

25 A. Correct. It's -- it's the common being

1 sold. The first purchase that you're referring to
2 was convertible preferred of the Katy Industries.

3 So you understand that?

4 Q. No.

5 A. In other words --

6 Q. Sorry. If you just took those -- the first
7 two lines on the Katy Industries, just --

8 A. Okay. That's --

9 Q. Explain what's happening.

10 A. On 8/27, you know, there were -- they
11 bought the Katy Industries preferred, convertible
12 preferred. And then on 8/21, the next day, they
13 sold common shares that the convertible would have
14 been -- that the convertible preferred would have
15 been convertible into.

16 Q. Okay.

17 A. That was sold short --

18 Q. Right.

19 A. -- against the convertible preferred.

20 Q. Okay.

21 A. And then the next typical practice would be
22 either the securities would be reversed, which would
23 mean they would be -- you'd buy one and sell the
24 other to cover the long or the short, or you would
25 physically convert it, you know, through the

1 conversion agent. And you would get -- eventually
2 get -- the common would deliver out against the
3 short.

4 Q. Okay. So where it says there's -- if we
5 look, it says 8/23 and then 8/28, and that's the
6 line that says, "Katy Industries, Inc.," and it
7 seems to say, "Journal," on that line.

8 A. 8/23 is Household Finance.

9 Q. The -- yeah, but if you go down further --

10 A. You're talking about 8/21?

11 Q. 8/21, and then the one beneath it with --

12 A. Is also 8/21.

13 Q. Okay.

14 A. I don't see any 8/23 --

15 Q. Okay.

16 A. -- for Katy Industries.

17 Q. Okay.

18 A. You're confusing the two --

19 Q. Okay.

20 A. -- transactions.

21 Q. All right. So where it says, J-r-n-l, do
22 you see that entry?

23 A. Journal.

24 Q. Journal. So that's a long -- that's --
25 that goes on the line where it says, "Katy

1 Industries, Inc." What -- and then it's \$4.92
2 credit. What does that mean?

3 A. Fractional shares. In other words, there's
4 a -- there -- there's a leftover portion of shares
5 of the transaction that journaled over. In this
6 situation it was credited to the account.

7 Q. Okay.

8 A. It's showing it was a credit.

9 Q. Okay.

10 A. It's like the odd lot amount of the shares
11 of the transaction.

12 Q. Okay. So if we look at the credit column,
13 we started out with \$183.04 for a -- \$183,004.83; do
14 you see that?

15 A. Right.

16 Q. And then we ended up with \$186, I think.

17 MS. BROWN: I think it's eight.

18 THE WITNESS: 183,000.

19 MS. CHAITMAN: 188,823.37; right?

20 188,823.37; can you see that?

21 THE WITNESS: End of -- well, one of
22 them you're looking at is -- is the value of the
23 positions. That's the value of the positions
24 after it's market to market. So don't confuse
25 that one.

1 When you say -- I'm not sure I
2 understand what you're saying.

3 BY MS. CHAITMAN:

4 Q. Okay. If you take the line -- you -- the
5 balance forward is 183,004.83; you see that under
6 the credit line at the top?

7 A. Right.

8 Q. And then the new balance is 188,823.37;
9 right?

10 A. 183?

11 Q. 188 --

12 A. It -- I --

13 Q. It looks like 188 --

14 A. I show the position -- I show a value of
15 183,117.42 on the credit side.

16 Q. Oh, I see. All of the way down?

17 A. Right.

18 Q. Okay. See this line here, where it says,
19 "New balance"?

20 A. Uh-huh.

21 Q. What -- what -- what does that represent?

22 A. That's the money balance in the account
23 from the transactions above that line.

24 Q. Okay.

25 A. The balance that you're referring to at the

1 end is the securities -- it says, "Security
2 positions."

3 Q. Right.

4 A. Okay. That's the value of the account that
5 was long, which was only long to Katy Industries,
6 preferred and common.

7 Q. Okay. So does this show that in this month
8 this account appreciated in value?

9 A. Well, if you look at the opening balance --
10 it would be easier if you -- if you had a better
11 copy.

12 Q. I know. I'm so sorry. It's going to get
13 better. I do have better ones after this.

14 To me it looks like 183,004.83 is the
15 opening balance.

16 A. Right. Okay. That's the opening balance.
17 It's the balance forward.

18 Q. Right.

19 A. That's the opening balance always. The new
20 balance at the end is 188,823.37. That's the cash
21 balance in the account. It went up from 183 to 188.

22 Q. Okay.

23 A. Which would have been the profit made in
24 those transactions.

25 Q. Okay.

1 A. Then when you go down to the security
2 positions, you know, at the bottom, you're getting a
3 market value of those -- of that what's long in the
4 account, which is only referring to the Katy
5 Industries, which is only your long and short.

6 So I think the question you're asking was,
7 how did the account -- cash balance appreciated from
8 183 to 188. All right. Roughly 5,000 --

9 Q. Right.

10 A. -- dollars.

11 Q. Right.

12 A. That's the cash balance in the account.

13 And then you would have to take the -- the
14 difference between the long and short positions in
15 the account after the market to market, which would
16 be basically 5,000 -- 5,705, it looks like.

17 Q. Okay.

18 A. The account would have appreciated by those
19 amounts.

20 Q. By the 5,705?

21 A. Yeah, but one is -- one is actual cash
22 balance in the account. The other one is the value
23 of the --

24 Q. Securities?

25 A. -- securities.

1 MS. CHAITMAN: Okay. Great. Thank you
2 so much.

3 Okay. We're doing the same exercise,
4 but this document is a slight improvement, and I
5 think we gradually get better.

6 (MADOFF EXHIBIT 4 WAS MARKED FOR
7 IDENTIFICATION.)

8 BY MS. CHAITMAN:

9 Q. I've just handed you what's been marked as
10 Madoff Exhibit 4.

11 A. This is better.

12 Q. A little bit better, isn't it?

13 A. Oh, okay. Sorry. Okay. All right.

14 MS. BROWN: Do you have one more copy
15 for Amy?

16 MS. CHAITMAN: Oh, I'm sorry.

17 BY MS. CHAITMAN:

18 Q. Okay. So we're looking at a statement,
19 which is, again, Arthur and Sofie Blecker. It's
20 dated December 31, 1985.

21 A. Uh-huh.

22 Q. And it's for the same account, 215-1-0. So
23 just, if you could, do -- do the same thing for me.
24 Just take me through this, so that I can understand
25 exactly what happened in this period of time, which

1 is December of '85.

2 A. All right. It's showing that an opening
3 balance -- well, it's not an opening balance. Let's
4 see where the opening balance is. Balance forward
5 is -- here it is.

6 It's \$288,445 -- or 446.44. That's the
7 balance forward from the prior month, but you skip
8 from -- this one is eight, and then you went from
9 eight to twelve. So --

10 Q. Right. We didn't have the interim ones.

11 A. Okay.

12 MS. BROWN: You skipped years as well.

13 MS. CHAITMAN: Wait. Hold on. '84 to
14 '80 -- yes. You're right. '84 to '85. These
15 were the only statements that were produced to
16 us.

17 BY MS. CHAITMAN:

18 Q. So, if you could, just go through --

19 A. It would be the same thing. You --
20 you're -- you're selling -- you're selling, it looks
21 like, Woolworth. I can't read it, but it looks like
22 you're -- the account opened with a balance of
23 288,000 some odd dollars.

24 Q. Right.

25 A. Then certain securities, number of shares,

1 3,892 shares were delivered into the account of the
2 convertible preferred. Then you had -- it was the
3 same thing.

4 Received of -- of the common shares after
5 the conversion. And there's no money -- no money
6 entries in that, because it was just physical
7 movement of securities.

8 And you had the same thing with this
9 Wetterau, same types of transactions. And you have
10 a -- there you have on 12/20, trade day 12/30.
11 Settlement, you have actual money balances moving
12 from the sale of the -- of the common and the
13 journal for another fractional shares of 21 some odd
14 dollars, and a new balance of 298,838.

15 And then when you go down to, "Security
16 positions," you're seeing the -- the market value of
17 the -- of the long and short positions in there.

18 MS. CHAITMAN: Okay. Thank you.

19 (MADOFF EXHIBIT 5 WAS MARKED FOR
20 IDENTIFICATION.)

21 MS. CHAITMAN: I'm going to show you
22 now what we've marked as Exhibit 5.

23 BY MS. CHAITMAN:

24 Q. So this -- the last one we looked at was
25 12/31/85, and this is 6/30/86.

1 A. Okay.

2 Q. So you bought the --

3 A. Interco.

4 Q. Yeah.

5 A. Uh-huh. Same type of transaction.

6 Convertible preferred.

7 Q. Right. So you have a debit of 277 --

8 A. Uh-huh.

9 Q. -- 309?

10 And then you were short the securities?

11 A. Right. Sold the securities short. Right.

12 For 283,000 some odd dollars.

13 Q. Right.

14 A. Then there's a receive and deliver of GTE,
15 which must have been -- the account must have been
16 long and short the previous month coming in. It's
17 physical movement of securities.

18 Then later on there's a -- a journal of
19 fractional share of \$14.

20 Q. Uh-huh.

21 A. I'm assuming that there was -- that the GTE
22 was related to the Interco. That must have been
23 a -- a merger or something that they exchanged those
24 securities. It's hard to tell until I look at --
25 unless you had the --

1 Q. The previous one?

2 A. -- the previous position.

3 Q. Right, right.

4 A. No. Actually, it wouldn't have anything to
5 do with it. It would -- yeah, you must be long and
6 short the GTE in the previous month. The Interco --
7 because here is -- the Interco is -- you have both
8 sides. You have the sale of the common of -- and
9 you have the -- the purchase of the preferred.

10 Q. So -- so basically -- forgive me if I sound
11 dumb about this, but you were buying a subordinated
12 convertible --

13 A. That's convertible into -- when you -- you
14 have a convertible bond or a convertible preferred.
15 Those securities are convertible into common shares
16 of the company.

17 You know, you're obviously buying -- the
18 idea is to buy the convertible security, which
19 either is a preferred or a convertible bond that is
20 convertible into a related number of common shares.

21 You buy the -- the purchase price of the --
22 either the preferred or the -- or the bond would be
23 lower than the sale price of the common, and that's
24 the profit.

25 That's the whole concept of doing any

1 arbitrage, but then you have to physically convert
2 one into the other, you know, to close out the
3 transaction.

4 Q. And these convertible preferred securities
5 were generally convertible within like a 30 day
6 period?

7 A. Yes. If, in fact, they were -- well, it
8 depends upon -- there's -- there's various forms of
9 arbitrage. I don't want to complicate your
10 situation, but there's -- you can actually
11 physically convert one into the other, putting it
12 into the conversion agent, or you can, what's
13 called, unwind the transaction, would be to go out
14 and purchase -- repurchase the stock that you sold
15 short and resale the one that you're long. It's
16 commonly referred to as a Chinese arbitrage. Having
17 nothing to do with China.

18 Q. Okay.

19 A. It's just because it's sort of --

20 Q. It's backwards.

21 A. -- backwards.

22 MS. CHAITMAN: It's backwards. Right.

23 (MADOFF EXHIBIT 6 WAS MARKED FOR
24 IDENTIFICATION.)

25 BY MS. CHAITMAN:

1 Q. Okay. All right. Let me show you what
2 I've marked as Exhibit 6. So this is July 31, 1986.
3 Same account. So what's happening in this page?

4 A. Well, you're -- I see you -- you have a
5 check coming into the -- going out of the account
6 with PW for \$7,000. It's normally referred like a
7 profit withdrawal of some sort, which lowered the --
8 which lowered the balance by that amount to 284,000.

9 Balance forward was 292. It was reduced by
10 the -- the balance of the withdrawal of \$7,000. And
11 then the carrying forward positions are Interco.
12 You're long and short.

13 Q. So that check was -- was sent to whom?

14 A. It would have been sent to the Bleckers.

15 Q. Okay. And this is the first time we've
16 seen an entry like that, with a PW, for the
17 Bleckers. Does that mean that at this point in time
18 your office would have received a written request
19 from the Bleckers?

20 A. Correct.

21 (MADOFF EXHIBIT 7 WAS MARKED FOR
22 IDENTIFICATION.)

23 BY MS. CHAITMAN:

24 Q. All right. I'm handing you what I've
25 marked as Madoff 7, which is a similar statement.

1 This is for February 28th, 1989. So, again, the
2 last statement was dated July 31, 1986. This one is
3 dated February 20th, 1989. And this one indicates a
4 profit withdrawal. So that, again, would have been
5 a check --

6 A. Uh-huh.

7 Q. -- sent to the customer?

8 A. Correct.

9 Q. Okay. And if the customer -- what was the
10 procedure with -- with profit withdrawal requests?
11 Would -- would there --

12 A. Typically the customer would call up on the
13 phone to request a check and was instructed that --
14 that we needed written instructions. They would
15 send in a -- usually a letter requesting the check.

16 (MADOFF EXHIBIT 8 WAS MARKED FOR
17 IDENTIFICATION.)

18 MS. CHAITMAN: Okay. Actually, I'm not
19 going to -- let the record reflect, I'm not
20 going to use Exhibit 8, because it's -- it's
21 illegible.

22 MS. BROWN: Can I have a copy, just --

23 MS. CHAITMAN: Yeah, if you want to
24 just have it.

25 MS. BROWN: Sure. Thank you.

1 THE WITNESS: Let me just -- I want
2 to -- I forgot what I said about the -- the
3 request for checks. If a customer -- I think
4 you covered that in -- in your opening, that if
5 a customer requested checks to be sent out
6 quarterly, I don't know that they sent every
7 quarter, you know, a specific written request.

8 We would have had on file quarterly
9 profit distribution instructions. They wouldn't
10 necessarily, you know, call us every quarter for
11 the check, I don't think, because as long as we
12 had instructions to send whatever the profit was
13 in the account as of a certain quarter. Usually
14 it would be a certain amount. They would say,
15 send me a certain amount every quarter.

16 BY MS. CHAITMAN:

17 Q. Okay. And we've seen letters with respect
18 to some customers, where they would write in and
19 say, please don't send me the profit withdrawals
20 anymore, or, please send me the profit withdrawals.

21 A. Correct.

22 Q. And it appears from the records that we've
23 seen that if someone wrote in and said, please send
24 me the profit withdrawals, the profit withdrawals
25 would be sent until they sent in a letter saying,

1 don't send me the profit withdrawals?

2 A. That's correct.

3 (MADOFF EXHIBIT 9 WAS MARKED FOR
4 IDENTIFICATION.)

5 BY MS. CHAITMAN:

6 Q. Let me show you what's been marked as
7 Exhibit 9, which is a little bit more legible. So
8 this is April 30th, 1990. And without going through
9 the same detail, this is essentially the same --

10 A. Yes.

11 Q. -- trading strategy; right?

12 So do you remember the time period when you
13 were executing this particular trading strategy?

14 MS. BROWN: Objection.

15 THE WITNESS: Do I remember the time
16 when it was --

17 BY MS. CHAITMAN:

18 Q. The -- the time period when you were using
19 that strategy?

20 A. Convertibles?

21 Q. Yeah.

22 A. Depending upon the account, but would have
23 been executing them certainly into the '90s.

24 Q. Okay. Now, with respect to the
25 transactions that -- what do you -- what do you

1 describe this strategy?

2 A. Convertible arbitrage.

3 Q. Convertible arbitrage. Okay. The -- were
4 the convertible arbitrage trades actually carried
5 out?

6 A. Yes.

7 Q. And were they carried out through Bear
8 Stearns?

9 A. No.

10 Q. How were --

11 A. We were -- we were a self-clearing firm
12 always. We never cleared through anyone in the
13 United States. We only cleared through a firm,
14 through Barclays Bank, in London, but that wouldn't
15 have been doing this kind of trading.

16 Q. Okay. Was -- was there a time period in
17 the '80s that you were doing business with Bear
18 Stearns?

19 A. Yes.

20 Q. Would you -- do you remember when that was?

21 A. We were doing business with everyone all
22 through -- through 2008.

23 Q. Okay.

24 A. And --

25 Q. Can you -- were you doing -- were you

1 having Bear Stearns execute the purchase of
2 convertible --

3 A. No.

4 Q. -- debentures?

5 A. We were probably the largest market-maker
6 and trader in convertible securities in the country,
7 you know, through the -- the -- the entire period.
8 You know, I would say -- let's say from the --
9 certainly from the '80s right through 2008.

10 The -- the business we did with Bear
11 Stearns, as we did with Merrill Lynch and with
12 everybody else, was usually as a market-maker or
13 part of our proprietary trading department, would
14 have, you know -- might have been in convertibles.

15 It could have been in -- you know, we were
16 doing hundreds of thousands of transactions every
17 day. In spite of the fact that we never got caught,
18 like we weren't doing anything, because they
19 couldn't find confirmations.

20 We had -- we explained to them that the
21 industry stopped issuing confirmations, you know,
22 years ago. They seemed to have been dumbfounded by
23 that remark.

24 Q. The business that you did with Bear
25 Stearns, was it structured so that Bear Stearns

1 would buy the securities in its own name and would
2 lend you the -- the money to buy the securities, and
3 then when the transactions closed, there would be
4 a -- an accounting for the profits?

5 MS. BROWN: Objection.

6 THE WITNESS: I'm not sure I understand
7 the question.

8 BY MS. CHAITMAN:

9 Q. Okay. Did you instruct Bear Stearns to buy
10 securities positions for -- for you?

11 A. No.

12 Q. So can you just describe what those
13 transactions were that you did with Bear Stearns?

14 A. I -- we were a market-maker in 500
15 securities. Some of them were convertible. Some of
16 them were -- were common. They came to our -- our
17 market-making department.

18 And based upon what we were quoted in
19 NASDAQ, if it was a NASDAQ security, they would, you
20 know, ask for a bid or an offer on whatever they
21 were selling.

22 That was -- would have been referred to as
23 a wholesale transaction. Would not involve a
24 customer of ours. It might have been a customer of
25 Bear Stearns probably.

1 Q. So -- forgive me for being simplistic.
2 Bear Stearns would -- might have a customer, or it
3 might be for their own account?

4 A. Correct.

5 Q. They would have a block of stock? They
6 would ask you to purchase it?

7 A. Correct.

8 MS. BROWN: Objection.

9 BY MS. CHAITMAN:

10 Q. And -- and you -- and you would purchase
11 it?

12 MS. BROWN: Objection.

13 THE WITNESS: Depending upon which
14 department it came -- if it was a market-making
15 transaction, it would go into the firm's
16 market-making account.

17 You know, if it was -- you know, and
18 that's the only way that Bear Stearns would come
19 to us.

20 BY MS. CHAITMAN:

21 Q. Okay.

22 A. I'm not sure I understand where you're
23 going. So --

24 Q. No. I just want to get an understanding of
25 what the structure was of your dealings with Bear

1 Stearns.

2 A. The same as it was with everybody else, you
3 know, in the industry. Every other broker-dealer.
4 If it was coming through -- if it was, you know, a
5 security that we were a market-maker in, which was
6 500 different securities.

7 Q. And would -- who -- if you were purchasing
8 a large block of stock from Bear Stearns --

9 A. Uh-huh.

10 Q. -- where would the financing come from for
11 that?

12 MS. BROWN: Objection.

13 Helen, I think we're starting to go a
14 little outside the scope of the order. He's
15 saying that he didn't purchase it for customers.

16 MS. CHAITMAN: Well --

17 MS. BROWN: It was a wholesale
18 business.

19 MS. CHAITMAN: I'm not -- I'm not sure.

20 MS. BROWN: So I'm going to let you
21 permit it. Keep going forward.

22 MS. CHAITMAN: Yeah.

23 MS. BROWN: But I think we're treading
24 very close to getting outside of the scope of
25 the order.

1 BY MS. CHAITMAN:

2 Q. I -- with respect to the transactions we've
3 seen --

4 A. In convertible securities?

5 Q. On the customer statements.

6 A. Right.

7 Q. Your testimony is that these were positions
8 that you actually executed?

9 A. Correct.

10 MS. BROWN: Objection.

11 BY MS. CHAITMAN:

12 Q. Okay. And how did you execute the
13 transactions that -- that we've been reviewing on
14 these statements?

15 MS. BROWN: Objection.

16 THE WITNESS: Either we would go out
17 into the open market to buy them, you know, from
18 another dealer. It could have been Bear
19 Stearns, if, in fact, they made a market in that
20 security, or it could have been someone --
21 someone else, or it could have been somebody
22 coming in to us unsolicited, another dealer to
23 sell a security. I mean, that's what we did all
24 day long.

25 BY MS. CHAITMAN:

1 Q. And who were the people, if you recall,
2 during the 1980s who were executing these
3 transactions that we've just reviewed?

4 MS. BROWN: Objection.

5 THE WITNESS: Who would we call?

6 BY MS. CHAITMAN:

7 Q. Who were the people, if you recall, within
8 your organization who were doing this?

9 A. It would have been -- depending upon which
10 trader was making a market in that stock, it could
11 have been someone like, you know, a David Kugel. It
12 could have been someone like a Martin Joel. It
13 could have been any number of, you know, a hundred
14 traders that we had.

15 Q. So did -- how did it work? Did you assign
16 to traders the transactions with respect to certain
17 securities? How was that allocated among your --

18 A. Certain traders made a market in certain --
19 in various securities. Other -- there also were
20 times that we didn't make a market in that security.
21 That we just went out into the open market to buy.
22 It could have been any number of traders that --
23 that did that for us over the years.

24 Q. Okay. So --

25 A. Including myself.

1 Q. Okay. So I just want to be clear on
2 something. There's a -- there's been a public
3 perception --

4 A. Uh-huh.

5 Q. -- that there was a stone wall between the
6 17th floor, which handled the investment advisory
7 accounts, and the 18th and 19th floor.

8 A. The Chinese wall.

9 MS. BROWN: Objection.

10 BY MS. CHAITMAN:

11 Q. The Chinese wall. Okay.

12 A. It's referred to.

13 Q. Okay. But are you saying that the
14 investment advisory transactions that we've just
15 reviewed were executed by people on the 18th or 19th
16 floors?

17 MS. BROWN: Objection.

18 THE WITNESS: It depends. It depends
19 upon, again, whether we were a market-maker and
20 also the period of time. The -- the Chinese
21 wall went into existence in the '80s, and the --
22 the Chinese wall varied based upon what the SEC
23 requirements were with -- with the Chinese wall.

24 In other words, it became more specific
25 the later the period went. For example, once

1 you went into the '90s the Chinese wall was --
2 was, you know, in place.

3 When you're talking about doing
4 transactions in the '80s, it was -- that was
5 done, you know, by one -- you have to understand
6 we were one firm. There was no -- there was no
7 separation between the investment advisory, you
8 know, and the -- and the market-making side in
9 the beginning.

10 It was only -- it was all down under
11 Bernard L. Madoff Investment Securities. Even
12 the investment advisory form was filed -- the
13 ADD form was filed under Bernard L. Madoff
14 Investment Securities.

15 We structured the Chinese wall, as
16 required, to have different managers supervise
17 different departments. And then physically we
18 moved the whole advisory side down to the 17th
19 floor. That was in the '90s.

20 But it could have been any number of
21 people making -- you know, executing the
22 transaction, including myself, in these types of
23 convertibles. But it could have been any number
24 of traders that did it, or it could just be me
25 going out and buying the security.

1 BY MS. CHAITMAN:

2 Q. Okay.

3 A. To answer your question, which I think I
4 know where you're going, the convertible securities
5 transactions were all bought and sold. They were
6 not paper transactions, as opposed -- as opposed to
7 the split-strike transactions, which in the '90s
8 became just paper transactions, where we were
9 actually short.

10 You also have to understand one thing.
11 This is beyond the depth, for some reason, of Irving
12 Picard, his whole legal thing. No -- no remarks,
13 but -- but it's -- I was astounded of the lack of
14 understanding of -- of this, but the -- oh, I went
15 off track. The -- what was -- what --

16 MS. CHAITMAN: Can you read back where
17 he was? Just -- just read back his answer.

18 MS. BROWN: I just want to make sure
19 we're -- we're -- the testimony has to be
20 limited to profit withdrawals. So --

21 MS. CHAITMAN: Yeah, I want you --
22 we're focusing on these transactions that we've
23 just reviewed.

24 THE WITNESS: Okay.

25 (THE PREVIOUS ANSWER WAS THEN READ.)

1 THE WITNESS: Okay. Okay. I
2 understand. All right. All of our trading was
3 done as principal. You know, I had to explain
4 this, for some reason, to the SEC and to the
5 other people, the 20 some odd people who were
6 there at my proffer agreement, of what -- of
7 what that is.

8 When brokerage firms either buy or sell
9 as an agent, which means they go out into the
10 market, and they buy it from another broker, as
11 an agent, and then charge a commission or a
12 markup, or they trade as principal, which means
13 they go out into the market the same way and buy
14 it and sell it and mark it up or they short it.
15 They go short, the stock.

16 As -- as a market-maker -- which means
17 that we're selling stock to another
18 broker-dealer, like a Merrill Lynch or we're
19 selling it to John Q Public. We're making the
20 same transaction.

21 We're selling that stock as principal,
22 meaning that I either bought it in the
23 marketplace or I shorted it. Now, as a
24 registered market-maker, you're required by
25 regulation to at times short stock to a client

1 in order to be competitive in order to make a
2 two-sided market.

3 So I'm under an obligation, even though
4 I don't want to sell the security, to make my
5 market good, because I have a quoted market in
6 NASDAQ or on the pink sheets, depending upon the
7 time period.

8 And somebody comes in to buy stock or I
9 have a client that wants to buy stock, I have to
10 short the stock, which means that the client
11 still owns the stock.

12 The same way as if I had went out into
13 the market to bought it or I -- except that --
14 that it's my obligation to deliver that stock,
15 you know, in the future to that client if he
16 requires it or he wants to sell it and so on.
17 It's the same transaction.

18 Now, our practice, as most dealers,
19 like myself, in the industry, was to always
20 trade as principal. Particularly in stocks we
21 were a market-maker in. And the fact that we go
22 short a stock does not mean that the transaction
23 was not completed.

24 The reason I'm stressing that was
25 during the proffer agreement, the first thing

1 that the prosecutor jumped on was when I said
2 that -- going back even into the '70s I sold
3 stock short to a customer.

4 And he said, well, you mean you sold
5 stock that you didn't own to the customer? And
6 both myself and my attorneys were dumbfounded
7 with the question.

8 I don't know whether it was theater,
9 but from that remark was deduced that Madoff
10 never sold -- bought stock for -- actually
11 bought the stock that he sold to a customer.

12 When -- when other people, like other
13 attorneys in the industry, and I must have had
14 30 of them come down here in the past seven
15 years, were stunned at that kind of dialogue.

16 And they said that he couldn't have not
17 been -- he couldn't have not known that. This
18 must have been a theater to just build a case,
19 which I didn't know why anyone had built. I had
20 admitted what I did. All right.

21 BY MS. CHAITMAN:

22 Q. Okay. So the --

23 A. All of the arbitrage transactions that
24 you're talking about, the Bleckers or for anybody
25 else, were actual purchases and sales of the

1 securities, either as agent or as principal, but
2 that doesn't matter which way it was done. It was
3 an actual transaction, where money changed hands.

4 Q. Okay.

5 A. As opposed to the split-strike, where it
6 was done -- it was done the same way, but I never
7 reflected those short positions on the books. And
8 there was my problem.

9 There was nothing wrong with me shorting
10 stock to clients, and -- even if it was 65 billion
11 dollars worth of shorting them. Where I went wrong
12 and violated the law was not reflecting those
13 liabilities on my books and records. That's it in a
14 nutshell.

15 Q. Okay. Just sticking with the profit
16 withdrawals, which is all I'm permitted to ask you
17 about --

18 A. Okay.

19 Q. -- with respect to the convertible
20 debentures. Were there -- are there any documentary
21 records that you can recall that would establish
22 what you're saying, that these were actual
23 transactions?

24 In other words, for the period from, say,
25 1981 through, say, 1990?

1 A. Yes. You -- you --

2 Q. Let me just finish. 1995, say.

3 A. Right.

4 Q. Are there any documentary records which
5 would prove what you're saying?

6 A. They should all have been available, unless
7 they were, you know, destroyed or in part of the
8 record-retention process. There would be blotters.
9 There would be cash receipts.

10 Depending upon whether the transaction went
11 through the clearing corporation or whether it was
12 just an over the -- over-the-window transaction, but
13 there would be debits and credits in the firm's bank
14 account.

15 Now, the convertible securities all went
16 through the Bank of New York. They did not go
17 through, to my recollection, JPMorgan. Those were
18 all -- all the investment advisory transactions,
19 which these would not be considered, going back to
20 the '80s, went through either Bank of New York,
21 Banker's Trust.

22 Man, we had -- we had a lot of banks, you
23 know. There would -- there should be -- just as
24 there were, you know, transactions that went through
25 the clearing corp, which would have been NSCC or DTC

1 in the later years.

2 Q. Okay. Now, the -- this strategy with the
3 convertible debentures continued into the 1990s?

4 A. Uh-huh.

5 Q. And, as I understand it, it existed at the
6 same time as the split-strike conversion strategy?

7 There were some customers --

8 A. Right.

9 Q. -- who were in split-strike, and some were
10 in the --

11 A. Correct.

12 Q. -- subordinated debentures?

13 MS. BROWN: Objection.

14 BY MS. CHAITMAN:

15 Q. Are you saying that at the same time that
16 you were not executing the transactions in the
17 split-strike accounts, you were executing the
18 transactions in the subordinated debenture accounts?

19 A. Yes.

20 MS. BROWN: Objection.

21 Go ahead.

22 THE WITNESS: Yes, but you -- you --
23 you have to understand that these transactions
24 could have been done as, you know, actually in
25 the marketplace or from the firm's trading or

1 investment accounts.

2 In other words, it's -- it's not just a
3 matter of there were two -- as I said before,
4 there were ways that we could go out, and if we
5 decided we wanted to buy and sell a security for
6 a client doing a convertible arbitrage or for an
7 equity transaction, we would go out into the
8 marketplace and buy that securities, or the
9 marketplace would come to us and sell us that
10 security.

11 All right. Or we would go short the
12 stock from the firm's trading or investment
13 account to the client. It's still the same
14 transaction.

15 All right. There's still an entry on
16 the books. It would look the same. It would
17 just be carried over into a long and short
18 position. From the customer's standpoint it's
19 totally the same.

20 BY MS. CHAITMAN:

21 Q. Okay. So forgive me for going over this
22 again, but I just want to be clear on it. If -- if
23 we wanted to find the documentary evidence of
24 this -- I mean, just let's -- let's be concrete.

25 If I look at -- let me just take one of

1 these that's legible. If -- if you'd be good enough
2 to look at Exhibit 4 for a second.

3 A. Uh-huh.

4 Q. Okay. So this is 12/31/85.

5 A. Right.

6 Q. If I wanted to find the documentary
7 evidence of the --

8 A. You would have a very -- this -- this
9 record would probably not be retained. It's an '85
10 transaction.

11 Q. Okay. So there wouldn't be any place I
12 could find it?

13 A. No.

14 Q. And of the people who were working for you
15 at the time who were the people that I would have to
16 talk to who would possibly have executed these
17 transactions?

18 A. It might have been myself. It might have
19 been -- in '85 it could have been David Kugel. It
20 could have been Martin -- well, Martin Joel was
21 dead. I don't remember the name -- the names of
22 some of the other trade -- traders.

23 Q. Okay. And if we go a little bit further
24 along, like in, let's say, 1990.

25 A. As a general rule, you would -- the firm

1 would not -- and I would -- you know, you'd have to
2 ask the trustee. As a general rule, all records
3 were the past six years, which is their requirement
4 or -- or destroyed, with the exception of customer
5 transactions.

6 As I said, we kept those longer, because
7 the clients, particularly the individual clients
8 that we had, for some reason, could never find their
9 monthly statements for their tax returns and so on.

10 So we would constantly get -- as all
11 brokers did, we'd get phone calls from an account,
12 like the Bleckers, saying, I have a tax audit, and I
13 need to, you know, find my cost basis on a
14 particular security. So we typically kept those --
15 those records longer.

16 But as far as Wall Street's records, nobody
17 kept records past -- as the same reason the banks
18 don't keep the records. Six years is the record
19 retention period.

20 After that, they're automatically supposed
21 to be destroyed. And that includes the -- by the
22 way, to correct that, that would include microfiche,
23 unless it was for clients. But the counter signs of
24 broker-dealers don't.

25 As I said before, the -- the industry

1 requested the SEC to change their requirements,
2 which they, in fact, did from pressure in the
3 industry to not produce hard copy records with each
4 other, with brokerage firms trading amongst
5 themselves.

6 The requirement that you had -- you had to
7 be able to produce them upon an examination request
8 within 48 hours, but nobody kept records past six
9 years. It would be impossible to do it.

10 Q. But you would scan the records and keep
11 them on computer?

12 MS. BROWN: Objection.

13 THE WITNESS: Every -- to my knowledge,
14 everything would have been -- after six years,
15 we had no records.

16 BY MS. CHAITMAN:

17 Q. Okay.

18 A. Except you would find client confirmation
19 in the statement records, but not, you know, what's
20 called street records. Meaning other brokerage
21 firms trading with each other, even in
22 clearinghouses.

23 Q. Okay. These -- these records --

24 A. Those are customer statements.

25 Q. These -- these were produced by the

1 trustee.

2 A. Okay.

3 MS. BROWN: Objection.

4 BY MS. CHAITMAN:

5 Q. Going back to '85?

6 A. Right.

7 Q. So --

8 A. Yeah. Those -- as I said, those
9 statements, you would have some, because they
10 were -- they were customer activity. I doubt
11 whether you would be able to find counter signed
12 with other brokerage firms that -- dating back that
13 long.

14 Q. Okay. Can you just --

15 A. I -- I want to read --

16 Q. Go ahead.

17 A. -- something into the record, which may be
18 beneficial to you or not. I don't know. But the --
19 what was amazing to me and to a whole host of other
20 attorneys that came here and went through the same
21 process that we're going through, the -- the fact
22 that you can't produce going back whatever the
23 period of time is records that will research
24 transactions that -- you know, that would verify
25 that a transaction was done.

1 According to the trustee and the prosecutor
2 at the time, meant that the transaction never
3 occurred. But other attorneys pointed out and said,
4 well, wasn't those transactions, you know -- you
5 know, gone -- didn't they go through the clearing
6 corporation? Weren't there debit and entries in
7 checking accounts and so on?

8 Those transactions were reported to -- to
9 the regulators, to FINRA, or we reported those
10 transactions on a daily basis. Weren't those debits
11 and credits -- you know, weren't they reflected
12 anywhere? Wasn't there money changing hands?

13 You know, wasn't there a continuous net
14 settlement with the banks for the clearing
15 organizations wanted to get paid for securities back
16 and forth?

17 And they said, of course.

18 Well, doesn't that demonstrate the fact
19 that the transactions did take place? And I had to
20 explain what a continuous net settlement was. Now,
21 a continuous net settlement was when you buy stock
22 in a marketplace.

23 I may go out and buy the stock for Blecker,
24 let's assume, if it was a regular equity from a
25 Merrill Lynch. All right. I may buy it from five

1 other brokerage firms.

2 The clearing corporation nets all of those
3 transactions overnight in a -- in what's called a
4 continuous net settlement, and -- and I get -- my
5 contract winds up being with a broker that has
6 nothing to do with Bear Stearns and Merrill Lynch.
7 It might be Credit Suisse or something of that sort.

8 Q. Uh-huh.

9 A. It's called a continuous net settlement.
10 They net all of the buys and sells, and they just
11 ask the broker for a money difference. So I could
12 do literally a billion dollars worth of purchases
13 and sales and wind up with literally \$100,000 net
14 credit or a debit, depending upon the transactions.
15 That's the way the industry runs.

16 Q. And would -- were there different clearing
17 firms that you used for various kinds of --

18 A. It wasn't --

19 Q. -- transactions?

20 A. They were not clearing firms. They were
21 other counterparties of the brokerage firm. We
22 cleared the transaction ourselves, but we bought, as
23 did everybody else.

24 When you say a clearing firm, it means that
25 you had no back office capability to generate

1 confirmations or -- or no operations departments --

2 Q. Uh-huh.

3 A. -- and so on. We had -- from the day we
4 opened up our doors in 1960 we self-cleared all of
5 our transactions and continued that through 2008.

6 MS. CHAITMAN: Okay. All right. If I
7 can just take a five-minute break.

8 THE WITNESS: I'll tell you what, I --

9 THE VIDEOGRAPHER: Going off the
10 record. The time is 10:03.

11 (RECESS FROM 10:03 A.M. TO 10:15 A.M.)

12 (MADOFF EXHIBITS 10 AND 11 WERE MARKED
13 FOR IDENTIFICATION.)

14 THE VIDEOGRAPHER: Back on the record.
15 The time is 10:15.

16 MS. CHAITMAN: I want to show you what
17 I've marked as Exhibit 11.

18 MS. VANDERWAL: Are you sure it's not
19 10?

20 MS. CHAITMAN: What did I do with 10?
21 Let's see.

22 MS. BROWN: I think the last one you
23 marked -- you didn't use Exhibit 8, and then you
24 marked Exhibit 9.

25 MS. CHAITMAN: Thank you. Okay. So

1 10 -- yeah. Well, thank you for correcting me.
2 This is Exhibit 10.

3 BY MS. CHAITMAN:

4 Q. So, Mr. Madoff, is it fair to say that
5 these are the same kinds of transactions that we've
6 already reviewed this morning?

7 A. Yes.

8 Q. So this is that same trading strategy?

9 A. Correct.

10 Q. And this is 12/31/90?

11 A. Uh-huh.

12 Q. And is it your testimony that as of
13 12/31/90 these transactions were actually executed?

14 A. Correct.

15 Q. Okay. And these were executed by the
16 traders on the 18th and 19th floors?

17 MS. BROWN: Objection.

18 THE WITNESS: Yes.

19 BY MS. CHAITMAN:

20 Q. Now, if I can show you what I've marked as
21 Exhibit 11, and we're just going to -- so this is --
22 the Madoff 11 is dated 5/31/95. So we've skipped --

23 A. Right.

24 Q. -- several years. Is this basically the
25 same strategy, the same trading strategy?

1 MS. BROWN: Objection.

2 THE WITNESS: Yes.

3 BY MS. CHAITMAN:

4 Q. And as of May 31, 1995 were these
5 transactions actually executed by the people on the
6 18th and 19th floors?

7 MS. BROWN: Objection.

8 THE WITNESS: There's also the 17th
9 floor. So during that period, in '95, the
10 seventh -- the 17th floor went into existence in
11 '92, I believe, or '93, something like that.

12 BY MS. CHAITMAN:

13 Q. So were these -- were these transactions --
14 transactions that are reflected here actually done?

15 MS. BROWN: Objection.

16 THE WITNESS: After '90 -- after '92,
17 things got discombobulated. So I can't -- I
18 can't say yes or no on that after '92.

19 BY MS. CHAITMAN:

20 Q. Okay. So do you have a -- when you say,
21 "after '92," do you have some way that you can peg
22 it to '92? I just -- I just want to have your
23 testimony as to what the cutoff was.

24 When was -- when were the trades actually
25 executed on the convertible debenture strategy?

1 A. I can't say specifically. Certainly prior
2 to '92 they were. Before it began in '92 --

3 Q. So --

4 A. -- partially.

5 Q. If we said -- if we said January 1st, 1992,
6 everything before that was --

7 A. Should have been --

8 Q. -- was executed?

9 A. -- executed. Correct.

10 Q. Okay. Are you comfortable with that as --

11 A. As comfortable as I can be, you know, now.

12 Q. Okay. Why -- why do you peg it to 1992?

13 A. Because post '92 was when I started doing
14 the business in the split-strike, you know, or not
15 doing business in the split-strike.

16 Q. Okay. Now, have you ever discussed with
17 Irving Picard the profit withdrawal trades?

18 A. No.

19 Q. Did you -- did you ever meet with Irving
20 Picard?

21 A. Once. There -- during the proffer
22 agreement, which is the first day after I was
23 arrested. To my knowledge, that was the last time I
24 spoke to him or saw him.

25 Q. Okay. Did you meet with anyone who either

1 represented him as a lawyer --

2 A. Yes.

3 Q. Who?

4 A. David Sheehan and a whole group of lawyers
5 came down here, interviewed me for two days. I
6 don't remember the time period. Probably within a
7 few -- maybe two years after I came here, I guess it
8 was, or the year after I came here.

9 Q. Okay.

10 A. Which was, you know, in 2009.

11 Q. 2009, when you came here?

12 A. Yeah.

13 Q. So it would have been in 2010?

14 A. Probably. Something like that.

15 Q. Okay. And did they ask you whether the
16 profit withdrawal transactions were actually
17 executed?

18 A. Not to my knowledge. There was actually --
19 wait a minute. There was one -- there was one
20 question-and-answer exchange that happened relating
21 to a scrap of paper that they produced that had some
22 scribbling on it from one of my traders. I think it
23 was David Kugel, I think they said.

24 It was a conversion instruction. And I
25 remember this, because it was, what they thought,

1 was some sort of smoking gun. What they did was
2 they showed me a piece of paper and my attorneys who
3 were here at the time, Ike Sorkin.

4 And it gave the formula a particular
5 convertible bond or preferred. I don't remember
6 which it was. What that convertible bond was
7 convertible into the number of shares. It was --

8 And they asked me what that was, and I
9 said, that is instructions of what -- how to convert
10 what -- what a convertible bond equal the number of
11 shares.

12 And they asked me if I knew who wrote this.
13 And I said, it looks like David Kugel's handwriting.
14 And they asked me what it was. And I said, that
15 would be instructions to one of the operations
16 people to -- what -- how to convert a particular
17 security.

18 And from that he tried to, you know, say
19 that that was instructions to create a transaction.
20 And I said that you would probably find a hundred of
21 those types of instructions in the records if you
22 looked at them.

23 And that was instructions that the trader,
24 David Kugel at that time, would have to have been a
25 trader in that particular bond or preferred, is

1 instructing probably Jodi Crupi or one of the other
2 people, you know, in the operations department how
3 to allocate, you know, a particular security,
4 convert it.

5 I said, you know, if you went to any back
6 office, you would see instructions like that, you
7 know. I didn't understand why he felt that that was
8 important one way or the other, but he -- he was --
9 I guess he -- where he was going was this was his
10 evidence that the -- that the transaction was just a
11 fictitious transaction, made up.

12 That was the end of that. I started
13 laughing. My attorney started to laugh. And there
14 was, you know, a lot of confused looks from the
15 lawyers, the other six attorneys that were present
16 at that meeting.

17 That was the only thing -- that was the
18 only -- that was the only conversation we had,
19 period, about anything relating to any of this.

20 Q. Did anyone on behalf of the trustee ask you
21 what your policy was with respect to requiring
22 letters from clients asking for withdrawals?

23 A. I don't recall anything coming up about
24 that. No.

25 MS. CHAITMAN: Okay. All right. I

1 have no further questions, subject to redirect.

2 MS. BROWN: Okay. I have some
3 questions, but we need --

4 THE WITNESS: Sure.

5 MS. BROWN: -- to take a short break.

6 THE WITNESS: Okay.

7 MS. BROWN: Just a couple of minutes --

8 THE VIDEOGRAPHER: Going --

9 MS. BROWN: -- if that's okay.

10 THE VIDEOGRAPHER: Going off the
11 record. The time is 10:25.

12 (RECESS FROM 10:25 A.M. TO 10:40 A.M.)

13 THE VIDEOGRAPHER: Back on the record.
14 The time is 10:40.

15 CROSS-EXAMINATION BY COUNSEL FOR TRUSTEE

16 BY MS. BROWN:

17 Q. Good morning, Mr. Madoff.

18 Mr. Madoff, your former business was called
19 Bernard L. Madoff Investment Securities, L.L.C.;
20 correct?

21 A. Yes.

22 Q. Okay. And is it okay if we refer to it as
23 BLMIS today?

24 A. Perfect.

25 Q. Great. Mr. Madoff, who was in charge of

1 BLMIS?

2 A. Me.

3 Q. Okay. And what were your day-to-day
4 responsibilities for BLMIS?

5 A. Primarily just supervising the firm, but
6 based upon our compliance procedures as part of the
7 Chinese wall, the firm had to be divided in -- in
8 different divisions.

9 So we had a market-making division, which
10 was supervised by my son, Mark. We had a
11 proprietary trading division, which was supervised
12 by my son, Andy.

13 The investment advisory side, or the 17th
14 floor, as it's referred to, was basically supervised
15 by Frank DiPascali. And my brother, Peter, was the
16 compliance director of the -- everything, other than
17 the investment advisory side. I was the compliance
18 manager of the investment advisory side.

19 And each -- the requirements had that the
20 divisions could not speak to each other. So my
21 sons, Mark and Andy, could not have contact with
22 what the profits or loss of each department was.
23 They had to be run like separate divisions.

24 That was a procedure that was put into
25 place. Well, it started in the '80s, but what --

1 it -- the SEC kept on adjusting what the industry
2 had to do through the 2000's.

3 Q. Okay. So those supervisors that you've
4 just described in the organizational chart, you were
5 above them?

6 A. Yes. I was in charge of everything.

7 Q. Okay. Did you report to anybody?

8 A. No.

9 Q. And those supervisors that you've just
10 described, they reported to you?

11 A. Yes.

12 Q. How many employees did you have in total at
13 BLMIS?

14 A. I would guess offhand, maybe 100, 150.

15 Q. And how did those employees break down
16 between the three divisions that you've described?

17 A. There were -- I would say there were 75
18 traders. There were probably 30 operations, back
19 office type people. A similar amount of IT people.
20 I don't know. What are we -- what are we up to now?

21 Q. Sixty -- 135.

22 A. And the rest were, you know, a combination
23 of bookkeepers, operate -- you know, messengers,
24 people of that sort.

25 Q. Approximately how many people worked on the

1 17th floor in the investment advisory department?

2 A. There was Frank DiPascali, Jodi Crupi,
3 Erin, Eric Lipkin. There was another fellow. I
4 don't remember his name. Frank's cousin. I think
5 his name was -- and there was Annette, and she had
6 about four different women working for her.

7 Then there was a whole mailroom that had
8 about four or five people in it. And then there
9 were a number of other programmers, George and
10 Jerry. George -- I think pretty much that covers
11 them.

12 Q. Okay. And, so just going through the
13 employees that you've listed, what were Frank
14 DiPascali's day-to-day responsibilities?

15 A. Pretty much everything relating to the
16 customers.

17 Q. Those are the customers in the investment
18 advisory business?

19 A. Right.

20 Q. Can you give me some detail about -- when
21 you say everything related to customers in the
22 investment advisory, what does that mean?

23 A. He was in charge of the split-strike
24 conversion trades. He was in charge of the
25 programming. The -- the actual execution of the

1 model for the split-strike trades, and he just ran
2 pretty much everything down that floor.

3 Q. Is it fair to say that Frank was in charge
4 of the 17th floor?

5 A. Yes.

6 Q. And Jodi Crupi, what did she do on a daily
7 basis on the --

8 A. She --

9 Q. -- 17th floor?

10 A. -- basically worked with Frank. She kept
11 the checkbook for the JPMorgan account, which is
12 where all the investment advisory clients
13 transactions took place. She was his -- his number
14 one assistant.

15 Q. When you say she handled the checkbook, did
16 she sign checks?

17 A. No.

18 Q. Okay.

19 A. No.

20 Q. Who signed the checks for the JPMorgan
21 account?

22 A. I did mostly. Sometimes -- I don't even
23 know who else would sign them. I guess my brother
24 had signatory possibly. I -- I was trying to think
25 of that the other day. I couldn't remember whether

1 he ever did or not. I don't know who else. I don't
2 remember who else.

3 Q. Did you physically sign the checks, or your
4 signature was printed --

5 A. No.

6 Q. -- from the computer?

7 A. Physically. Physically.

8 Q. And you physically signed the checks
9 through 2008?

10 A. Yes.

11 Q. And, other than Peter and yourself, you
12 can't -- do you -- did anyone else have signing
13 authority for the JPMorgan account?

14 A. I don't recall.

15 Q. Okay. You mentioned Erin. Is Erin -- is
16 that Erin Reardon?

17 A. Yes.

18 Q. Okay. And what were Erin's day-to-day
19 responsibilities on the 17th floor?

20 A. She -- she was also -- same as Jodi, except
21 she -- I don't think she kept anything to do with
22 the checkbook. She just, you know, helped process
23 all of the -- the transactions with Frank.

24 Q. Okay. And, Eric Lipkin, what were his
25 day-to-day responsibilities?

1 A. Same as -- same as Jodi, except also he
2 didn't -- he wasn't involved with the checkbook
3 really. He was -- worked with Frank with --
4 remodeled the allocations of the trades and so on.

5 Q. Okay. Let's turn to Annette. That's
6 Annette Bongiorno?

7 A. Yes.

8 Q. And what were Annette's day-to-day
9 responsibilities?

10 A. Primarily handling the -- the customer
11 statements dealing with mostly related to Levy,
12 Picower, Stanley Chais and a number of other
13 clients.

14 Q. And how long did Ms. Bongiorno work for
15 you?

16 A. Probably 30 some odd years.

17 Q. Did she always work on the investment
18 advisory side of the business?

19 A. No. She worked on the arbitrage side for
20 the customers. Also as -- she was basically a
21 bookkeeper.

22 Q. When you say, "the arbitrage side for the
23 customers," are you referring to customers in the
24 investment advisory business?

25 A. Well, the investment advisory didn't really

1 go into existence officially until, you know, in the
2 '90s while she -- until we filed the form, which was
3 in 2006, but she was on -- wasn't on the 17th floor
4 until the '90s, when we moved everybody down to the
5 17th floor. That didn't have anything to do with
6 market-maker or the proprietary side.

7 Q. And the customer accounts that she handled,
8 were those investment advisory accounts?

9 A. Well, it's hard to -- to classify
10 whether -- she primarily handled a group of the
11 large accounts and the convertible arbitrage-type
12 accounts.

13 Q. Okay. And you mentioned that Ms. Bongiorno
14 had several different people working for her. Do
15 you know what those individuals did on a daily
16 basis?

17 A. They were bookkeepers.

18 Q. Do you remember any of their names?

19 A. She had one, Evelyn -- I don't remember
20 their names.

21 Q. Yeah.

22 A. I used to.

23 Q. Okay. But those bookkeepers worked for
24 Annette?

25 A. They were clerks. Yeah.

1 Q. Clerks. And they reported to Annette?

2 A. Yes.

3 Q. Okay. You mentioned the mailroom. What
4 was the mailroom's responsibility at BLMIS?

5 A. Mail out the customer confirmations
6 basically and customer statements.

7 Q. Would they mail customer checks?

8 A. Yes.

9 Q. Did the mailroom stuff the envelopes for
10 the statements and the checks?

11 A. Yes.

12 Q. And you mentioned the programmers, George
13 Perez and Jerry O'Hara. What were their daily
14 responsibilities?

15 A. They wrote code for the computer, dealing
16 with primarily the investment advisory clients,
17 trades.

18 Q. I'm going to read some names to you, and if
19 you -- if they refresh your recollection, maybe you
20 could tell me what they did. Is the name Winifier
21 Jackson familiar to you?

22 A. Yeah. She was one of Annette's clerks.

23 Q. Okay. And do you have any specifics on
24 what her role was?

25 A. Just following Annette's instructions

1 primarily.

2 Q. Okay. And Alethea Mui? I don't know if
3 I'm saying that right.

4 A. Alethea. Yeah.

5 Q. Yeah.

6 A. Same.

7 Q. Same. So she had a similar role --

8 A. Yeah.

9 Q. -- as Ms. Jackson?

10 A. Uh-huh.

11 Q. Dorothy Khan?

12 A. I think the same.

13 Q. When you say, "the same," you mean the same
14 as Alethea --

15 A. Right.

16 Q. -- and Ms. Jackson?

17 A. Uh-huh.

18 Q. Okay. Fran Barbato?

19 A. Probably the same.

20 Q. Okay. So all the people that we've just
21 described, Frank, Jodi, Erin, Eric, Annette,
22 Ms. Jackson, Ms. Mui, Ms. Khan, those employees all
23 worked on the 17th floor?

24 A. Right.

25 Q. And is it fair to say that they ran the

1 investment advisory business for you?

2 A. Well, they didn't -- they were basically
3 bookkeepers.

4 Q. Okay. Did they handle -- sorry. Strike
5 that. I want to go back just one step.

6 Is the name Joanne Sala familiar to you?

7 A. Excuse me?

8 Q. Joanne Sala?

9 A. What did Joanne do? She -- I don't
10 remember. She worked -- she worked with Annette
11 also. I don't know how long. I guess she worked
12 with Annette for -- during that same period.

13 Q. What period is that?

14 A. I think she -- I don't remember whether she
15 stayed -- whether she was at the firm at the very
16 end or not, but certainly, you know, through the
17 '90s and 2000, I guess.

18 Q. And she worked for Annette?

19 A. Yeah, I believe so.

20 Q. Okay. So Annette would be her supervisor?

21 A. Yeah.

22 Q. Are you familiar with what Ms. Sala's
23 specific job duties were?

24 A. No.

25 Q. Okay. Okay. So the -- including Ms. Sala

1 into the list of people that you've described that
2 worked on the 17th floor, did those employees open
3 investment advisory accounts for customers?

4 A. I don't -- when you mean open them, I don't
5 know. I mean, I don't remember who -- who
6 physically opened the account, meaning filing the
7 papers and so on.

8 Q. Uh-huh.

9 A. It could have been any number of them.

10 Q. Okay. Would it have been someone that
11 worked on the 17th floor?

12 A. Huh?

13 Q. Would it have been someone that worked on
14 the --

15 A. Yes.

16 Q. -- 17th floor?

17 A. Yes. Somebody had to on the 17th floor do
18 it.

19 Q. Okay. And when questions from customers
20 relating to their customer accounts came in, were
21 those phone calls taken by employees on the 17th
22 floor?

23 A. Yes.

24 Q. Did Annette have her own phone line?

25 A. I mean, everybody had an extension.

1 Q. Okay. And did customers call Ms. Bongiorno
2 directly?

3 A. Some, yes.

4 Q. Okay. And did customers call Frank
5 DiPascali directly?

6 A. Yes.

7 Q. And were customers able to contact other
8 individuals that worked on the 17th floor directly?

9 A. Including them, yes.

10 Q. To your knowledge, did Frank DiPascali and
11 Annette Bongiorno take customer calls?

12 A. Yes.

13 Q. And did they respond to customer inquiries?

14 A. Uh-huh.

15 Q. Yes?

16 A. Yes.

17 Q. Did they confer with you every time a
18 customer called?

19 A. No.

20 Q. And did Ms. Bongiorno, Mr. DiPascali and
21 the individuals working for them have the authority
22 to speak with customers?

23 A. Yes.

24 Q. And did they have the authority to respond
25 to their inquiries?

1 A. If they -- if they knew the answer.

2 Q. When customers sent correspondence to
3 BLMIS, where would the correspondence go?

4 A. It would go basically to the 17th floor.

5 Q. And did you personally review any of the
6 correspondence?

7 A. Some, over the years, yes.

8 Q. Would you review correspondence from
9 customers on a daily basis?

10 A. No.

11 Q. On a weekly basis?

12 A. I -- maybe.

13 Q. Okay. Is it fair to say that the employees
14 on the 17th floor were the first point of contact
15 for the letters that were received from customers?

16 A. Yes.

17 Q. After BLMIS received customers from
18 letters, where did BLMIS put the letters?

19 MS. CHAITMAN: I think you said -- you
20 said, "customers from letters."

21 MS. BROWN: Sorry. Do you want to read
22 it back? I got --

23 (THE PREVIOUS QUESTION WAS THEN READ.)

24 MS. BROWN: Oh, I'm sorry.

25 BY MS. BROWN:

1 Q. Once BLMIS received the letters, what did
2 it do with them after that?

3 A. It would go into a customer file.

4 Q. Okay. And where were those customer files
5 maintained?

6 A. On the 17th floor.

7 Q. And did the employees on the 17th floor
8 have access to those files?

9 A. Yes.

10 Q. And were they responsible for maintaining
11 those files?

12 A. Yes.

13 Q. How often did you review the individual
14 customer files?

15 A. Rarely.

16 Q. BLMIS sent monthly customer statements to
17 its customers; yes?

18 A. Yes.

19 Q. Okay. And how were the monthly statements
20 created?

21 A. They were created on the 17th floor through
22 the -- one of the IBM computers.

23 Q. Is the IBM computer also referred to as an
24 AS/400?

25 A. Yes.

1 Q. Who printed the statements each month?

2 A. Who printed them? You mean who ran them
3 through -- ran the computer?

4 Q. Yes.

5 A. I'm not sure -- I'm not sure of the name of
6 the person that sat in the room anymore.

7 Q. Okay. Was it an employee on the 17th
8 floor?

9 A. Yes.

10 Q. You didn't personally print the statements?

11 A. No.

12 Q. Okay. So you mentioned that BLMIS used an
13 AS/400 computer system relating to the customer
14 accounts?

15 A. Right.

16 Q. And who put the -- who input data into the
17 AS/400?

18 A. Who input the data? It must have come
19 from, I would assume, either Frank or Annette.

20 Q. So the -- the data came from Frank or
21 Annette?

22 A. Uh-huh.

23 Q. Yes?

24 A. Yeah.

25 Q. Okay. And then who would physically put it

1 into the computer?

2 A. We had a number of keypunch operators.

3 Q. Okay. And those keypunch operators worked
4 on the 17th floor?

5 A. Yes.

6 Q. Was the AS/400 used to print the checks to
7 customers?

8 A. I don't know. It must have been, I would
9 assume.

10 Q. Okay. So we've discussed the customer
11 statements, checks to customers, speaking with
12 customers. Are those all duties that were handled
13 by the employees on the 17th floor?

14 A. Yes.

15 Q. And we might have skipped over at the
16 beginning, but could you tell me what your personal
17 responsibilities were with respect to the investment
18 advisory business?

19 A. Just supervising in general and working
20 with Frank.

21 Q. How often did you go down to the 17th
22 floor?

23 A. Daily.

24 Q. And what did you do when you were down
25 there?

1 A. Answer questions or make decisions as to
2 when we were going to put trades through on the
3 split-strike trades.

4 Q. Who were those conversations with?

5 A. Frank.

6 Q. Is there anything else that you can think
7 of that the employees on the 17th floor did for you?

8 A. No. Pretty much what we've covered.

9 Q. Mr. Madoff, have you met Ms. Chaitman
10 before today?

11 A. No.

12 Q. You haven't met her in person?

13 A. Uh-uh.

14 Q. Have you communicated with her before
15 today?

16 A. Yes.

17 Q. And how -- what was the first time you
18 communicated with her? What did you do?

19 A. Spoke to her over the telephone.

20 Q. Did she call you, or did you call her?

21 A. Well, nobody can call me in prison. So I
22 must have called her.

23 Q. Okay. And when was that?

24 A. I guess a couple of years ago, I believe.

25 Q. And how often have you spoken to

1 Ms. Chaitman since --

2 A. Well, I think I spoke to her twice.

3 Q. Twice in the last couple of years?

4 A. Uh-huh. Relatively short phone calls.

5 Q. Can you estimate the length?

6 A. Well, the maximum could be 15 minutes. So
7 it was certainly less than that. It basically had
8 to do with her trying to come in to see me.

9 Q. Okay. So -- but until today she's never
10 come to see you?

11 A. No.

12 Q. So you discussed twice her coming to see
13 you, but she didn't come?

14 A. She -- the prison wasn't allowing her to
15 come down. I said I also had a conversation with
16 one of her attorneys, Lance -- something or other, I
17 think his name was.

18 Q. Okay. And can you tell me the approximate
19 date of those two conversations?

20 A. No. She would be able to tell you more
21 than I would.

22 Q. Okay. But it was in the last couple of
23 years?

24 A. Yeah.

25 Q. And, other than those two conversations,

1 those are the only two conversations you have had
2 with Ms. Chaitman by telephone?

3 A. That's correct.

4 Q. And, other than Lance, have you spoken to
5 anyone else at Ms. Chaitman's firm?

6 A. I might have spoken to an Italian fellow,
7 named Joe -- something or other. I don't know.
8 Also a very brief conversation. All related to
9 basically, you know, coming to see me.

10 Q. And did Joe or Lance come -- come to see
11 you?

12 A. No.

13 Q. Have you communicated with Ms. Chaitman or
14 anyone at her firm by e-mail?

15 A. No.

16 Q. Never?

17 A. I might have sent an e-mail again to -- to
18 one of her employees relating to coming to see me,
19 but, you know, then they took her off the -- I
20 wasn't allowed any communications with her based
21 upon the Bureau of Prisons for some reason.

22 Q. Okay. And that -- that e-mail was a couple
23 of years ago or more recently?

24 A. Probably certainly within well over a year
25 ago.

1 Q. And, other than that one e-mail, have you
2 had any other e-mail communications with
3 Ms. Chaitman or her firm?

4 A. No.

5 Q. Did you communicate with her prior to
6 setting up today's visit?

7 A. Nothing, other than what I said that I gave
8 you. I don't recall. No.

9 Q. I thought that you testified that you spoke
10 to her a year ago by e-mail. Did you speak -- have
11 any conversations by e-mail or over the phone about
12 today's visit?

13 A. About today's visit?

14 Q. Yes.

15 A. No.

16 Q. And, other than that one e-mail that you've
17 just described, you've had no other e-mail
18 communications with Ms. Chaitman or anyone at her
19 firm?

20 A. No.

21 Q. When was the first time that you heard
22 about a dispute regarding profit withdrawals?

23 A. I guess about -- I received a letter
24 regarding the -- oh, actually, I received some
25 communications with -- from -- I don't know if it

1 was from her or from my brother-in-law, who is one
2 of their -- one of her clients, relating to a book
3 that she was writing, something of that sort.

4 Q. Okay. And when you say, "her," and, "she,"
5 in that sentence, are you referring to Ms. Chaitman?

6 A. Uh-huh. What?

7 Q. I said -- you said, "her," and, "she." So
8 are you referring to Ms. Chaitman --

9 A. Ms. Chaitman. Right.

10 Q. -- when you were just discussing the --

11 A. Yeah.

12 Q. -- book?

13 Okay. And who is your brother-in-law?

14 A. Bob Roman. Robert Roman.

15 Q. And how did Mr. Roman raise the profit
16 withdrawal issue to you?

17 A. I received some copies of -- I think it was
18 in one of the exhibits that you -- that you first
19 showed me, about -- I'm trying to think of what it
20 was.

21 It had to do with one of the customer --
22 the question was basically whether or not -- I
23 signed something, some document that she sent to me
24 relating to profit withdrawals, whether or not we
25 sent out checks without a -- whether a check would

1 be issued without instructions from a client,
2 something of that sort.

3 Q. Okay. We'll get to the Declaration in a
4 second, but just sticking with the first time that
5 you heard about the dispute regarding profit
6 withdrawals, who did you hear about it from?

7 A. It came in from -- I received it in the
8 mail. It must have come from either Robert Roman,
9 who is one of her clients, or it came from -- I
10 don't think it came from New York. It must have
11 come from Rob Roman.

12 Q. Okay. What did you do after you received
13 that mailing?

14 A. I -- I signed something, basically similar
15 to what she outlined in that letter here about
16 profit withdrawal.

17 Q. Okay. And who was the letter from?

18 A. I don't remember. Like I said, I assumed
19 it must have come from -- from the office of
20 Chaitman.

21 Q. Do you have a copy of the letter?

22 A. No.

23 Q. Do you know around what date you received
24 that letter?

25 A. Within a year ago.

1 Q. Do you recall who the letter was signed by?

2 A. Excuse me?

3 Q. Who the letter was signed by?

4 A. No.

5 Q. You mentioned the letter was accompanied by
6 some documents. Do you recall what those documents
7 were?

8 A. I thought it -- it might have been a
9 reprint of one of the accounts.

10 Q. Okay. Other than the document you've just
11 described, have you reviewed any other documents
12 before today's deposition relating to the profit
13 withdrawal dispute?

14 A. No.

15 MS. BROWN: I'd like to mark for the
16 record the Declaration of Bernard L. Madoff as
17 Madoff 12.

18 Can I have a sticker, please?

19 MS. CHAITMAN: It's actually already
20 marked. Do you want to use the one we just
21 marked?

22 MS. BROWN: I don't. I want to use
23 this one.

24 MS. CHAITMAN: Okay.

25 MS. BROWN: Can I have a sticker,

1 please?

2 MS. CHAITMAN: Oh, sure.

3 MS. BROWN: Are you going to use the
4 rest, because --

5 MS. CHAITMAN: No. You can take them.

6 MS. BROWN: Okay.

7 (MADOFF EXHIBIT 12 WAS MARKED FOR
8 IDENTIFICATION.)

9 MS. BROWN: And I do want to note for
10 the record the -- a similar Declaration was
11 marked as Madoff Exhibit 2. The differences
12 that I can tell between these two Declarations
13 is the Declaration in Exhibit 2 is missing the
14 line, "Attorneys for the customers listed on
15 Exhibit A hereto." I'm sorry. Exhibit 12 is
16 missing that line.

17 The next difference is the caption. It
18 has a different format, and the document has a
19 different name. The name on Madoff Exhibit 2
20 is, "Declaration Opposing Trustee's Treatment of
21 Profit Withdrawals." The name on Madoff
22 Exhibit 12 is the, "Declaration of Bernard L.
23 Madoff."

24 The other differences that I can see at
25 this point are Madoff Exhibit 2 has a page --

1 page numbers on pages one, two and three.

2 Madoff Exhibit 12 does not have a page number on
3 page one or two, and it has it on page three.

4 And we reserve our rights to further
5 examine the exhibits to determine whether there
6 are any other differences between them.

7 BY MS. BROWN:

8 Q. Mr. Madoff, I'm placing before you what's
9 been marked as Madoff Exhibit 12.

10 MS. CHAITMAN: Do you have extra
11 copies?

12 MS. BROWN: Oh, I'm sorry. I do.

13 MS. CHAITMAN: Thank you.

14 MS. BROWN: You're welcome.

15 THE WITNESS: Okay.

16 BY MS. BROWN:

17 Q. Mr. Madoff, who prepared this Declaration?

18 A. I believe this is the first I've seen it.

19 Q. This is the first time you've seen the
20 Declaration?

21 A. Uh-huh.

22 Q. Do you want to turn to page three? Is that
23 your signature on the back?

24 A. Yes.

25 Q. Okay. But looking at the first two pages,

1 that's the first time you've seen this Declaration?

2 A. You know, this looks -- this -- well, the
3 information in it looks similar to what I just said
4 before that -- that I received from her.

5 Q. Okay. Did you personally type up this
6 Declaration?

7 A. Me? I?

8 Q. Yes.

9 A. No.

10 Q. How did you first receive the Declaration?

11 A. I would have had to have received it in the
12 mail.

13 Q. In the mail. And do you know who you
14 received it from?

15 A. Either the Chaitman office or Robert Roman.

16 Q. Do you recall the time period around when
17 you received the Declaration?

18 A. Within a year.

19 Q. Within a year of today's date?

20 A. Uh-huh.

21 Q. Did you make any changes to the
22 Declaration?

23 A. Not that I recall. Oh, wait a minute.
24 I -- I crossed something out, I think. I don't
25 remember what it was that I crossed out.

1 Q. Okay. After you crossed it out, what did
2 you do with the document then?

3 A. I -- I must have mailed it back.

4 Q. Did you sign the document before you mailed
5 it back?

6 A. Yes.

7 Q. Other than the -- let me back up.
8 Do you recall what it was that you crossed
9 out?

10 A. It was some language. I don't remember
11 what it was, though.

12 Q. Do you remember what the language was about
13 or the topic?

14 A. Let me see. I'll read this through. I
15 don't remember seeing anything about Picower in
16 this. No. I don't remember seeing number four or
17 number three. I don't remember seeing this. I
18 don't remember seeing that language in -- in what I
19 signed.

20 MS. BROWN: Okay. Thank you,
21 Mr. Madoff. I think we have to go off the
22 record to change the tape. So --

23 THE VIDEOGRAPHER: This ends media
24 number one in the deposition of Bernard L.
25 Madoff. Going off the record. The time is

1 11:15.

2 (RECESS FROM 11:15 A.M. TO 11:17 A.M.)

3 THE VIDEOGRAPHER: This begins media
4 number two in the deposition of Bernard L.
5 Madoff. The time is 11:17. We are on the
6 record.

7 BY MS. BROWN:

8 Q. Mr. Madoff, if we could just go through the
9 Declaration paragraph by paragraph. Do you
10 recall -- before you signed the Declaration
11 approximately a year ago, do you recall seeing
12 paragraph one?

13 A. Yes.

14 Q. Okay. And what were you informed about the
15 dispute that's described in paragraph one?

16 A. Basically that I -- I guess that the --
17 there was some claims that the customer did not
18 receive the checks that matched the -- the profit
19 withdrawals.

20 Q. Okay. And you -- who were you informed
21 about that by?

22 A. What -- by this document.

23 Q. Okay. When you received the Declaration?

24 A. Yeah.

25 Q. Okay. Okay. And, Mr. Madoff, you

1 indicated that you sent -- I'm sorry. You struck
2 out a paragraph before you sent it back; correct?

3 A. Uh-huh.

4 Q. Okay. And did you make any other edits
5 that you can recall to the Declaration?

6 A. No.

7 Q. Okay. And, other than mailing it back, did
8 you have any discussions with Ms. Chaitman --

9 A. No.

10 Q. -- about the Declaration?

11 A. No, because I couldn't reach her, if I
12 wanted to.

13 Q. Did you have any discussions with anyone
14 else --

15 A. Uh-uh.

16 Q. -- about the Declaration?

17 A. No.

18 Q. After you sent the Declaration back with
19 the changes that you've indicated, did you receive
20 any other drafts of the Declaration?

21 A. No.

22 Q. Did you see any other --

23 A. Actually -- wait a minute. I'm not -- I'm
24 not sure whether I received something -- you know,
25 if I signed -- this is clearly my signature. All

1 right?

2 Q. Okay.

3 A. Now, I wouldn't have -- either I -- in
4 other words, I wouldn't have signed something if --
5 if I crossed something out, and it wasn't here, you
6 know.

7 Q. Uh-huh.

8 A. So I must have received something with the
9 same information -- information. I'm sort of
10 confused --

11 Q. Okay.

12 A. -- about this. It wasn't -- it was nothing
13 relevant or nothing major that I crossed out. It
14 was just something that -- I crossed it out for some
15 reason. I don't remember what it was.

16 I remember, as far as I knew, the only
17 thing that was important was the question of whether
18 or not we issued checks --

19 Q. Uh-huh.

20 A. -- without having instructions from the
21 client.

22 Q. Okay. Okay. So in paragraph one it
23 states, "I have been informed that the trustee,
24 Irving Picard, has claimed that my customers
25 received payments that the customers dispute they

1 received."

2 A. Right.

3 Q. And did you have any information about what
4 Ms. Chaitman's position was in this dispute?

5 A. I -- I would assume that -- that that was
6 the case involved -- the dispute involved whether or
7 not, you know, checks were sent out to a client
8 without having instructions.

9 Q. Okay.

10 A. That's it.

11 Q. Okay. Did you have any specific
12 communications about Ms. Chaitman's position?

13 A. No, other than what was -- what was in the
14 document.

15 Q. And the document you're referring to is the
16 Declaration --

17 A. Right.

18 Q. -- Madoff Exhibit 12?

19 And, just to confirm, Madoff Exhibit 12 was
20 not created by you?

21 A. No.

22 Q. And it was not prepared by you?

23 A. No.

24 Q. Were you told why your testimony was being
25 sought in this dispute?

1 A. Because I was the one -- I would know
2 whether or not this was a true fact --

3 Q. Uh-huh.

4 A. -- true statement or not.

5 Q. Were you offered anything in exchange for
6 your Declaration?

7 A. No.

8 Q. Okay. Any payments?

9 A. No.

10 Q. Anything of value?

11 A. No.

12 Q. Prior to reviewing the Declaration that you
13 received in the mail did you review any other
14 documents related to the profit withdrawal dispute?

15 A. Not that I recall.

16 Q. And before today's deposition, putting
17 aside the documents that we've looked at here today,
18 have you reviewed any documents relating to the
19 profit withdrawal dispute?

20 A. No.

21 MS. BROWN: Okay. I'd like to -- I'll
22 mark it as Madoff Exhibit 13, but I'll also note
23 for the record this exhibit bears the Bates --
24 I'm sorry -- the Exhibit Number Trustee 36, and
25 it has a Bates number of MADTBB01988418.

1 (MADOFF EXHIBIT 13 WAS MARKED FOR
2 IDENTIFICATION.)

3 BY MS. BROWN:

4 Q. Mr. Madoff, I'm placing before you what's
5 been marked as Madoff Exhibit 13.

6 A. Okay.

7 Q. Do you recognize this document?

8 A. I can't read a thing that's on it. Oh,
9 yeah. All right. This looks like something from
10 Annette's department basically. You know, how they
11 opened up an account folder.

12 Q. Okay. Just so the record is clear, can you
13 tell me what page you were looking at when you were
14 just talking? You can just tell me which page of
15 the document.

16 A. Page -- oh.

17 Q. You can tell me the --

18 A. Two.

19 Q. Two?

20 A. The second page.

21 MS. BROWN: Okay. Let the record
22 reflect the witness is referring to page
23 MADTBB01988419.

24 BY MS. BROWN:

25 Q. Just sticking with this page for a second,

1 Mr. Madoff, do you -- are you familiar with this
2 document, type of document?

3 A. I'm -- yeah.

4 Q. Okay. And what is it?

5 A. It looks like it's various codes as to how
6 an account would be handled.

7 Q. Okay. And is this a document that you
8 worked with on a daily --

9 A. No.

10 Q. -- basis?

11 A. No.

12 Q. Okay. And who worked with these -- this
13 type of document?

14 A. Annette and her department.

15 Q. And directing your attention down to the
16 bottom portion of the page, where it says, "Profits,
17 dividends, interest."

18 A. Uh-huh.

19 Q. "Note: Send" -- "S equals send. R equals
20 reinvest." What does that mean to you?

21 A. It means what the customer had instructed
22 they wanted to receive, whether they wanted to
23 receive the dividends in the account.

24 Q. Okay.

25 A. Like I said, I've never really seen this

1 before, but --

2 MS. BROWN: Okay. Thank you. You can
3 put that down.

4 I'd also like to mark Madoff
5 Exhibit 14, and, note for the record, this
6 document also bears the Trustee Exhibit 44, and
7 it has a Bates number of AMF00154125.

8 (MADOFF EXHIBIT 14 WAS MARKED FOR
9 IDENTIFICATION.)

10 BY MS. BROWN:

11 Q. And, Mr. Madoff, when you're ready, I have
12 a question --

13 A. Okay.

14 Q. -- on a specific page.

15 A. Uh-huh.

16 Q. But you're free to look through the
17 document.

18 A. No. Go ahead.

19 Q. Okay. The page that I want to ask you
20 about ends in -- I'm sorry. I had it. 153 is the
21 last three digits of the page.

22 A. Okay.

23 Q. Okay. Mr. Madoff, do you recognize this
24 document?

25 A. Uh-huh.

1 Q. And can you tell us what it is?

2 A. Yeah. What --

3 Q. What is it?

4 A. Oh, it's a customer agreement.

5 Q. Okay. And is this a form that was used at
6 BLMIS?

7 A. Yes.

8 Q. Okay. And if I could turn your -- direct
9 your attention to paragraph 16, could you read that
10 paragraph for me into the record?

11 A. "Confirmations and statements.
12 Confirmations of transactions and statements for the
13 customer's account shall be binding upon the
14 customer if the customer does not object, in
15 writing, within ten days after receipt by the
16 customer."

17 "Notice or other communications including
18 margin and maintenance calls delivered or mailed to
19 the address given below shall, until the broker has
20 received notice in writing of a different address,
21 be deemed to have been personally delivered to the
22 customer whether actually received or not."

23 Q. Okay. Thank you.

24 And, Mr. Madoff, is that paragraph form
25 language in the customer agreement that was used by

1 BLMIS?

2 A. Uh-huh. Yes.

3 Q. Okay. And does that paragraph require a
4 customer to object to transactions in their account?

5 A. Yes.

6 MS. BROWN: I have no further
7 questions.

8 MS. CHAITMAN: Okay. I'm just going to
9 take a five-minute break.

10 THE WITNESS: Going --

11 MS. CHAITMAN: Do you --

12 THE VIDEOGRAPHER: Going --

13 MS. CHAITMAN: Do you need anything to
14 eat?

15 THE VIDEOGRAPHER: Going off the
16 record. The time is 11:28.

17 (RECESS FROM 11:28 A.M. TO 11:47 A.M.)

18 THE VIDEOGRAPHER: Back on the record.
19 The time is 11:47.

20 REDIRECT EXAMINATION BY COUNSEL FOR CUSTOMERS
21 BY MS. CHAITMAN:

22 Q. Mr. Madoff, do you -- do you recall, now
23 that you've been questioned about it, that I sent
24 you a form of Declaration, and you crossed out
25 something in it, and then sent it back to me?

1 A. Yes.

2 Q. And then do you remember I sent you a clean
3 copy with the crossed-out material deleted?

4 A. Okay.

5 MS. BROWN: Objection.

6 BY MS. CHAITMAN:

7 Q. You remember that?

8 A. I must have, because I wouldn't have signed
9 something that wasn't in its complete form.

10 Q. Okay. And, in fact, you had signed the
11 Declaration, but crossed out a paragraph --

12 A. Yes.

13 Q. -- and sent it to me?

14 A. Yes.

15 Q. And then didn't I resend it to you,
16 unsigned, with that crossed-out paragraph
17 eliminated?

18 MS. BROWN: Objection.

19 THE WITNESS: I would assume so.

20 BY MS. CHAITMAN:

21 Q. Okay. Because you -- there's no question
22 that you signed the document --

23 A. Yes.

24 Q. -- we've marked as Exhibit 2?

25 And it was in this form when you signed it;

1 right?

2 MS. BROWN: Objection.

3 THE WITNESS: Excuse me. I must have,
4 but I -- I tell you, I don't remember. My mind
5 is not as clear as it should be.

6 BY MS. CHAITMAN:

7 Q. Okay. Looking at Exhibit 14, and if you
8 want, I can just hold it up to you. I'm looking at
9 the second page, which ends in Bates number 54126.

10 Do you see on this form -- this is for
11 Aaron Blecker. Do you see on this form, it has S's
12 for profits and dividends and interest, and then
13 it's crossed out?

14 A. Okay. Yes.

15 Q. Do you know who would have crossed this
16 out?

17 A. No. I would assume it had to be someone in
18 the operations department.

19 Q. Okay. And was there anyone who would check
20 the work of someone in the operations department to
21 make sure they didn't make a mistake?

22 A. Yes. Probably Annette Bongiorno.

23 Q. Okay. So she would do it?

24 A. Uh-huh.

25 Q. Okay. And if you wanted to know what the

1 customer's instructions were, is it fair to say
2 you'd have to look at the customer file to see what
3 the letter from the customer said?

4 MS. BROWN: Objection.

5 THE WITNESS: I would assume so.

6 BY MS. CHAITMAN:

7 Q. Because this document, the second page of
8 Exhibit 14, this is not signed by the customer;
9 right?

10 A. No, no.

11 Q. Okay. And, looking at Exhibit 13, on the
12 third page, this is also a document, which is not
13 signed by the customer; right?

14 A. I -- I don't -- I don't believe so. This
15 looks all like internal documents.

16 Q. Okay. And, again, if you wanted to know
17 what the customer's request was, you'd have to look
18 in the customer file for a letter from the customer;
19 isn't that true?

20 A. Correct.

21 MS. BROWN: Objection.

22 MS. CHAITMAN: Okay. I have nothing
23 further.

24 MS. BROWN: I'm sorry. I have nothing
25 further. We can go off the record. I forgot

1 you were there.

2 THE VIDEOGRAPHER: We're off the record
3 in the deposition of Bernard L. Madoff. The
4 number of media used is two. The time is 11:50.

5 (SIGNATURE WAIVED.)

6 (DEPOSITION CONCLUDED AT 11:50 A.M.)
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1 STATE OF NORTH CAROLINA

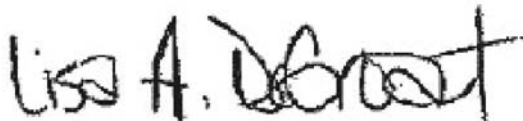
2 COUNTY OF PERSON

3
4 CERTIFICATE OF TRANSCRIPT

5
6 I, Lisa A. DeGroat, a Court Reporter and
7 Notary Public in and for the aforesaid county and
8 state, do hereby certify that the foregoing
9 deposition of BERNARD L. MADOFF, was taken by me and
10 reduced to typewriting under my direction; and the
11 transcript is a true record of the testimony given
12 by the witness.

13 I further certify that I am neither attorney
14 or counsel for, nor related to or employed by any
15 attorney or counsel employed by the parties hereto
16 or financially interested in the action.

17 This the 16th day of June, 2016.

18
19
20 
21

22
23 LISA A. DeGROAT

Registered Professional Reporter

24 Notary Public #19952760001

Expiration Date: December 8, 2020

[& - 60]

Page 1

&	13060 7:22	1992 64:5,12	30 3:14 33:5 50:14
& 2:10	135 70:21	1995 52:2 63:4	70:18 74:16
0	14 3:12,24 31:19	19952760001 110:24	303-4568 2:6
0 15:2	103:5,8 107:7 108:8	19th 45:7,15 62:16	309 31:9
08-017889 5:3	15 1:19 86:6	63:6	30th 37:8
08-01789 1:6	150 70:14	1st 64:5	31 14:18 15:6 28:20
1	153 103:20	2	34:2 35:2 63:4
1 3:10 4:1 7:18 9:1	15th 2:22 4:15	2 3:11 9:3,7 92:11	33 3:15
1-0 15:3	16 104:9	92:13,19,25 106:24	34 3:16
10 3:19 61:12,19,20	16th 110:17	2,056 18:4,19 19:17	35 3:17
62:1,2	17th 45:6 46:18 63:8	2,100 21:23	36 100:24
10/31/89 3:17	63:10 69:13 71:1	2/28/89 3:16	37 3:18
100 70:14	72:4,9 73:19 75:3,5	20 48:5	4
100,000 60:13	77:23 79:2,11,16,17	2000 78:17	4 3:10,13 28:6,10
1002151-0 15:2	79:21 80:8 81:4,14	2000's 70:2	55:2
10022 2:5	82:6,7,21 83:7 84:4	2006 75:3	4,500 19:1
101 3:23	84:13,21 85:7	2008 14:7 38:22	4,504 18:17,17,20
10111 2:11	183 25:10 26:21	39:9 61:5 73:9	19:6
103 3:24	27:8	2009 65:10,11	4,700 15:20 18:19
105 3:5	183,000 24:18	2010 65:13	19:17
10:03 61:10,11	183,004.83 24:13	2016 1:19 2:23 4:15	4.92 24:1
10:15 61:11,15	25:5 26:14	110:17	4/30/90 3:18
10:25 68:11,12	183,004.83. 15:14	2020 110:24	40 13:3
10:40 68:12,14	183,117.42 25:15	20th 35:3	400 82:24 83:13,17
11 3:20 61:12,17	183.04 24:13	21 30:13	84:6
62:21,22	186 24:16	212 2:11	44 103:6
11:15 96:1,2	188 25:11,13 26:21	215-1-0 28:22	446.44. 29:6
11:17 96:2,5	27:8	23rd 15:17 18:4,7	45 2:10
11:28 105:16,17	188,823.37 24:19,20	25,000 9:21	465 2:5
11:47 105:17,19	25:8	250,000 9:23	48 13:3 57:8
11:50 109:4,6	188,823.37. 26:20	277 31:7	5
12 3:21 91:17 92:7	18th 45:7,15 62:16	28 3:13	5 3:14 30:19,22
92:15,22 93:2,9	63:6	283,000 31:12	5,000 27:8,16
99:18,19	1960 61:4	284,000 34:8	5,705 27:16,20
12/20 30:10	1980s 6:14 12:2 44:2	288,000 29:23	5/31/95 3:20 62:22
12/30 30:10	1981 14:6 51:25	288,445 29:6	500 40:14 42:6
12/31/85 3:13 30:25	1984 14:19 15:6	28th 35:1	54126 107:9
55:4	17:14	292 34:9	589-4230 2:11
12/31/90 3:19 62:10	1985 28:20	298,838 30:14	6
62:13	1986 34:2 35:2	3	6 3:3,15 33:23 34:2
13 3:22 100:22	1989 35:1,3	3 3:12 14:10,14	6/30/86 3:14 30:25
101:1,5 108:11	1990 37:8 51:25	3,159 21:10	60 8:19
	55:24	3,892 30:1	
	1990s 6:14 10:10		
	53:3		

[61 - audio]

Page 2

61 3:19,20	109:6	76:16 78:1 79:3	apologize 14:14
65 51:10	aaron 3:22,24 13:24	84:18	20:24
68 3:4	107:11	aforesaid 110:7	appealable 8:20
7	able 15:8 57:7 58:11	agent 16:17 23:1	appears 14:20 36:22
7 3:16 34:21,25	80:7 86:20	33:12 48:9,11 51:1	applicant 1:5 4:23
7,000 34:6,10	accept 10:10	ago 39:22 85:24	appointed 11:11
7/31/86 3:15	access 82:8	87:23,25 88:10	appreciate 6:19
70s 50:2	accompanied 91:5	90:25 96:11	appreciated 26:8
75 2:21 4:19 70:17	account 14:6,21,22	agree 4:12 12:3	27:7,18
8	14:25 15:1,12 16:1	agreement 48:6	approximate 86:18
8 3:17 35:16,20	16:4,8,19,22 17:8	49:25 64:22 104:4	approximately 4:15
61:23 110:24	17:11,25 19:7,10,10	104:25	70:25 96:11
8/20 20:23 21:8	19:15 20:11,11,14	ahead 53:21 58:16	april 37:8
8/21 21:22 22:12	20:22 21:15,23 24:6	103:18	arbitrage 16:9
23:10,11,12	25:22 26:4,8,21	alethea 77:2,4,14	20:13 33:1,9,16
8/23 17:15,18 19:10	27:4,7,12,15,18,22	alleged 8:21	38:2,3,4 50:23 54:6
23:5,8,14	28:22 29:22 30:1	allocate 67:3	74:19,22 75:11
8/27 21:9 22:10	31:15 34:3,5 36:13	allocated 44:17	arrested 64:23
8/28 23:5	37:22 41:3,16 52:14	allocations 74:4	arthur 14:19 28:19
8/31 17:21,23	54:13 56:11 72:11	allowed 8:5 87:20	aside 100:17
8/31/84 3:12 17:13	72:21 73:13 79:6	allowing 86:14	asked 66:8,12,14
80 29:14	101:11 102:6,23	amazing 58:19	asking 6:10 27:6
80s 38:17 39:9 45:21	104:13 105:4	amf00154125 3:24	67:22
46:4 52:20 69:25	accountants 12:20	103:7	asset 16:21 17:2
84 29:13,14	accounting 40:4	amf00154157 3:24	21:14
85 29:1,14 55:9,19	accounts 8:6 14:7	amount 9:21 12:14	assign 44:15
58:5	16:9 20:20 45:7	16:1,3,18 18:15	assistant 72:14
8:50 2:23 4:16	53:17,18 54:1 59:7	24:10 34:8 36:14,15	assume 10:2 59:24
9	75:7,8,11,12 79:3	70:19	83:19 84:9 99:5
9 3:11,18 37:3,7	79:20 83:14 91:9	amounts 17:7 27:19	106:19 107:17
61:24	accurate 10:6	amy 2:9 5:18 28:15	108:5
90 63:16	action 110:16	andy 69:12,21	assumed 90:18
908 2:6	activity 58:10	annette 71:5 74:5,6	assuming 31:21
90s 37:23 46:1,19	actual 8:21 27:21	75:24 76:1 77:21	astounded 47:13
47:7 75:2,4 78:17	30:11 50:25 51:3,22	78:10,12,18,20	attending 5:7
92 3:21 63:11,16,18	71:25	79:24 80:11 83:19	attention 11:24
63:21,22 64:2,2,13	add 18:14 46:13	83:21 102:14	102:15 104:9
93 63:11	address 104:19,20	107:22	attorney 67:13
95 63:9	adjusting 70:1	annette's 74:8 76:22	110:13,15
a	admitted 50:20	76:25 101:10	attorneys 5:6 50:6
a.m. 2:23 4:16 61:11	advisory 9:14 45:6	answer 47:3,17,25	50:13 58:20 59:3
61:11 68:12,12 96:2	45:14 46:7,12,18	65:20 81:1 85:1	66:2 67:15 86:16
96:2 105:17,17	52:18 69:13,17,18	anybody 50:24 70:7	92:14
	71:1,18,22 72:12	anymore 36:20 83:6	audio 4:11
	74:18,24,25 75:8		

[audit - carolina]

Page 3

audit 56:12 august 14:18 15:6 15:17 17:14 18:4,7 authority 73:13 80:21,24 authorizing 3:10 automatically 56:20 available 52:6 avenue 2:5	89:22 90:14 96:16 101:10 basis 12:21 56:13 59:10 72:7 75:16 81:9,11 102:10 bates 100:23,25 103:7 107:9 bear 38:7,17 39:1,10 39:24,25 40:9,13,25 41:2,18,25 42:8 43:18 60:6 bears 7:21 100:23 103:6 began 7:10 64:2 beginning 46:9 84:16 begins 96:3 behalf 5:11,16,19 67:20 believe 11:11 13:15 63:11 78:19 85:24 93:18 108:14 belongs 16:21 beneath 23:11 beneficial 58:18 bernard 1:7,11,16 2:19 3:2,21 4:23,25 5:5 6:3 46:11,13 68:19 91:16 92:22 95:24 96:4 109:3 110:9 bernstein 6:11 best 14:16 better 26:10,13,13 28:5,11,12 beyond 47:11 bid 40:20 billion 51:10 60:12 binding 104:13 bit 28:12 37:7 55:23 blecker 3:22,24 13:25 14:6,19 28:19 59:23 107:11 bleckers 34:14,17 34:19 50:24 56:12	blmis 68:23 69:1,4 70:13 76:4 81:3,17 81:18 82:1,16 83:12 104:6 105:1 blmis's 8:9 block 41:5 42:8 blotters 52:8 bob 4:13 89:14 bond 16:12 32:14,19 32:22 66:5,6,10,25 bongiorno 74:6,14 75:13 80:1,11,20 107:22 book 89:2,12 booking 17:5 bookkeeper 74:21 bookkeepers 70:23 75:17,23 78:3 books 51:7,13 54:16 bottom 27:2 102:16 bought 21:16 22:11 31:2 47:5 48:22 49:13 50:10,11 60:22 box 16:14 break 61:7 68:5 70:15 105:9 brief 87:8 broker 12:24 42:3 48:10,18 56:24 60:5 60:11 104:19 brokerage 48:8 57:4 57:20 58:12 60:1,21 brokers 56:11 brother 69:15 72:23 89:1,13 brown 2:9 3:4 5:16 5:16 6:22,25 7:2,14 8:14 12:7 17:24 24:17 28:14 29:12 35:22,25 37:14 40:5 41:8,12 42:12,17,20 42:23 43:10,15 44:4 45:9,17 47:18 53:13 53:20 57:12 58:3	61:22 62:17 63:1,7 63:15 68:2,5,7,9,16 81:21,24,25 91:15 91:22,25 92:3,6,9 93:7,12,14,16 95:20 96:7 100:21 101:3 101:21,24 103:2,10 105:6 106:5,18 107:2 108:4,21,24 build 50:18 built 50:19 bureau 87:21 business 9:15 38:17 38:21 39:10,24 42:18 64:14,15 68:18 71:18 74:18 74:24 78:1 84:18 butner 1:18 2:21,22 4:18,19 buy 16:11 22:23 32:18,21 40:1,2,9 43:17 44:21 48:8,10 48:13 49:8,9 54:5,8 59:21,23,25 buying 32:11,17 46:25 buys 16:10 60:10
b			
b 3:8 13:25 back 12:17 47:16,17 50:2 52:19 58:5,12 58:22 59:15 60:25 61:14 67:5 68:13 70:18 78:5 81:22 93:23 95:3,5,7 97:2 97:7,18 105:18,25 backwards 33:20,21 33:22 baker 2:10 bakerlaw.com 2:12 balance 15:14 25:5 25:8,19,22,25 26:9 26:15,16,17,19,20 26:21 27:7,12,22 29:3,3,4,4,7,22 30:14 34:8,9,10 balances 30:11 bank 16:17 38:14 52:13,16,20 banker's 52:21 bankruptcy 1:1 5:2 7:6,8,19 banks 52:22 56:17 59:14 barbato 77:18 barclays 38:14 based 40:18 45:22 69:6 87:20 basically 27:16 32:10 62:24 69:14 72:10 74:20 76:6 78:2 81:4 86:7 87:9	89:22 90:14 96:16 101:10 basis 12:21 56:13 59:10 72:7 75:16 81:9,11 102:10 bates 100:23,25 103:7 107:9 bear 38:7,17 39:1,10 39:24,25 40:9,13,25 41:2,18,25 42:8 43:18 60:6 bears 7:21 100:23 103:6 began 7:10 64:2 beginning 46:9 84:16 begins 96:3 behalf 5:11,16,19 67:20 believe 11:11 13:15 63:11 78:19 85:24 93:18 108:14 belongs 16:21 beneath 23:11 beneficial 58:18 bernard 1:7,11,16 2:19 3:2,21 4:23,25 5:5 6:3 46:11,13 68:19 91:16 92:22 95:24 96:4 109:3 110:9 bernstein 6:11 best 14:16 better 26:10,13,13 28:5,11,12 beyond 47:11 bid 40:20 billion 51:10 60:12 binding 104:13 bit 28:12 37:7 55:23 blecker 3:22,24 13:25 14:6,19 28:19 59:23 107:11 bleckers 34:14,17 34:19 50:24 56:12	blmis 68:23 69:1,4 70:13 76:4 81:3,17 81:18 82:1,16 83:12 104:6 105:1 blmis's 8:9 block 41:5 42:8 blotters 52:8 bob 4:13 89:14 bond 16:12 32:14,19 32:22 66:5,6,10,25 bongiorno 74:6,14 75:13 80:1,11,20 107:22 book 89:2,12 booking 17:5 bookkeeper 74:21 bookkeepers 70:23 75:17,23 78:3 books 51:7,13 54:16 bottom 27:2 102:16 bought 21:16 22:11 31:2 47:5 48:22 49:13 50:10,11 60:22 box 16:14 break 61:7 68:5 70:15 105:9 brief 87:8 broker 12:24 42:3 48:10,18 56:24 60:5 60:11 104:19 brokerage 48:8 57:4 57:20 58:12 60:1,21 brokers 56:11 brother 69:15 72:23 89:1,13 brown 2:9 3:4 5:16 5:16 6:22,25 7:2,14 8:14 12:7 17:24 24:17 28:14 29:12 35:22,25 37:14 40:5 41:8,12 42:12,17,20 42:23 43:10,15 44:4 45:9,17 47:18 53:13 53:20 57:12 58:3	61:22 62:17 63:1,7 63:15 68:2,5,7,9,16 81:21,24,25 91:15 91:22,25 92:3,6,9 93:7,12,14,16 95:20 96:7 100:21 101:3 101:21,24 103:2,10 105:6 106:5,18 107:2 108:4,21,24 build 50:18 built 50:19 bureau 87:21 business 9:15 38:17 38:21 39:10,24 42:18 64:14,15 68:18 71:18 74:18 74:24 78:1 84:18 butner 1:18 2:21,22 4:18,19 buy 16:11 22:23 32:18,21 40:1,2,9 43:17 44:21 48:8,10 48:13 49:8,9 54:5,8 59:21,23,25 buying 32:11,17 46:25 buys 16:10 60:10
c			
c 2:1 3:1 6:1 13:25 20:2 call 35:12 36:10 44:5 80:1,4 85:20 85:20,21 called 33:13 57:20 60:3,9 68:18 80:18 85:22 calls 56:11 79:21 80:11 86:4 104:18 capability 60:25 caption 4:21 92:17 career 9:18 carolina 1:18 2:22 4:20 110:1			

[carried - convertible]

Page 4

<p>carried 38:4,7 54:17 carrying 34:11 case 4:21 5:1,3 7:6 13:15 50:18 99:6 cash 26:20 27:7,12 27:21 52:9 caught 39:17 cellphones 4:9 certain 7:20 12:4,12 29:25 36:13,14,15 44:16,18,18 certainly 37:23 39:9 64:1 78:16 86:7 87:24 certificate 110:4 certify 110:8,13 chais 74:12 chaitman 2:3,4 3:3 3:5 5:10,10,11,13 5:14 6:7,24 7:1,15 7:18 9:5 13:7 14:12 17:20 18:2 24:19 25:3 28:1,8,16,17 29:13,17 30:18,21 30:23 33:22,25 34:23 35:18,23 36:16 37:5,17 40:8 41:9,20 42:16,19,22 43:1,11,25 44:6 45:10 47:1,16,21 50:21 53:14 54:20 57:16 58:4 61:6,16 61:20,25 62:3,19 63:3,12,19 67:25 81:19 85:9 86:1 87:2,13 88:3,18 89:5,8,9 90:20 91:19,24 92:2,5 93:10,13 94:15 97:8 105:8,11,13,21 106:6,20 107:6 108:6,22 chaitman's 87:5 99:4,12</p>	<p>chaitmanllp.com 2:6 change 57:1 95:22 changed 51:3 changes 94:21 97:19 changing 59:12 charge 11:23 48:11 68:25 70:6 71:23,24 72:3 chart 70:4 check 9:18,24 34:5 34:13 35:5,13,15 36:11 89:25 107:19 checkbook 72:11,15 73:22 74:2 checking 59:7 checks 9:15 10:18 36:3,5 72:16,20 73:3,8 76:7,10 84:6 84:11 89:25 96:18 98:18 99:7 china 33:17 chinese 33:16 45:8 45:11,20,22,23 46:1 46:15 69:7 claimed 98:24 claims 96:17 classify 75:9 clean 106:2 clear 19:17 45:1 54:22 101:12 107:5 cleared 38:12,13 60:22 61:4 clearing 38:11 52:11 52:25 59:5,14 60:2 60:16,20,24 clearinghouses 57:22 clearly 97:25 clerks 75:25 76:1,22 client 16:10 48:25 49:9,10,15 54:6,13 57:18 90:1 98:21 99:7</p>	<p>clients 51:10 56:7,7 56:23 67:22 72:12 74:13 76:16 89:2 90:9 close 33:2 42:24 closed 16:15 20:20 40:3 code 76:15 codes 102:5 collier 2:14 4:13 column 15:18 17:2 19:7,25 20:25 24:12 combination 70:22 come 41:18 42:10 50:14 54:9 83:18 86:8,10,13,15 87:10 87:10 90:8,11,19 comes 49:8 comfortable 64:10 64:11 coming 31:16 34:5 42:4 43:22 67:23 86:12 87:9,18 commission 48:11 common 17:3 18:24 21:25 22:13 23:2 26:6 30:4,12 32:8 32:15,20,23 40:16 commonly 33:16 communicate 88:5 communicated 85:14,18 87:13 communications 87:20 88:2,18,25 99:12 104:17 company 32:16 competitive 49:1 complete 106:9 completed 49:23 compliance 69:6,16 69:17 complicate 33:9 computer 13:9,14 14:15 57:11 73:6 76:15 82:23 83:3,13</p>	<p>84:1 computers 82:22 concept 32:25 concerning 8:21 concluded 109:6 concrete 54:24 confer 80:17 confidential 1:15 2:19 8:18 confirm 7:11 99:19 confirmation 57:18 confirmations 39:19 39:21 61:1 76:5 104:11,12 confuse 24:24 confused 67:14 98:10 confusing 23:18 considered 52:19 constantly 56:10 contact 69:21 80:7 81:14 continue 4:11 continued 53:3 61:5 continuous 59:13,20 59:21 60:4,9 contract 60:5 conversation 67:18 86:15 87:8 conversations 4:8 85:4 86:19,25 87:1 88:11 conversion 16:7,8 16:17 20:19 23:1 30:5 33:12 53:6 65:24 71:24 convert 22:25 33:1 33:11 66:9,16 67:4 convertible 6:15 16:11,13 18:9,10,10 19:2,5,21 20:13 22:2,11,13,14,15,19 30:2 31:6 32:12,13 32:14,14,15,18,19 32:20 33:4,5 38:2,3</p>
--	---	---	---

[convertible - depth]

Page 5

<p>38:4 39:2,6 40:15 43:4 47:4 51:19 52:15 53:3 54:6 63:25 66:5,6,7,10 75:11 convertibles 37:20 39:14 46:23 copies 10:13 89:17 93:11 copy 7:9 13:1 14:14 26:11 28:14 35:22 57:3 90:21 106:3 corp 52:25 corporation 1:4 4:22 52:11 59:6 60:2 correct 11:15 15:22 15:24 18:6 19:22 20:7 21:21,25 34:20 35:8 36:21 37:2 41:4,7 43:9 53:11 56:22 62:9,14 64:9 68:20 87:3 97:2 108:20 correcting 62:1 correctional 2:20 4:18 correspondence 81:2,3,6,8 cost 12:21 56:13 counsel 6:6 8:1,4 68:15 105:20 110:14,15 counter 56:23 58:11 counterparties 60:21 counterparty 12:23 country 39:6 county 110:2,7 couple 68:7 85:24 86:3,22 87:22 course 59:17 court 1:1 5:2,20 7:19 8:24 110:6</p>	<p>cousin 71:4 cover 22:24 covered 36:4 85:8 covers 71:10 create 66:19 created 82:20,21 99:20 credit 16:1 17:2 24:2,8,12 25:6,15 60:7,14 credited 16:19 20:21 24:6 crediting 20:10 credits 52:13 59:11 cross 68:15 crossed 94:24,25 95:1,8 98:5,13,14 105:24 106:3,11,16 107:13,15 crupi 67:1 71:2 72:6 customer 9:19,24 10:13,16,22,24 12:17,22 13:22,24 35:7,9,12 36:3,5 40:24,24 41:2 43:5 50:3,5,11 56:4 57:24 58:10 74:10 75:7 76:5,6,7 79:20 80:11,13,18 82:3,4 82:14,16 83:13 84:10 89:21 96:17 102:21 104:4,14,14 104:16,22,25 105:4 108:2,3,8,13,18,18 customer's 54:18 104:13 108:1,17 customers 1:17 2:2 2:20 5:12,15 6:6 9:16 10:11 11:4,5 12:2,18 13:16 14:4 36:18 42:15 53:7 71:16,17,21 74:20 74:23,23 79:3,19 80:1,4,7,22 81:2,9 81:15,17,20 82:17</p>	<p>84:7,11,12 92:14 98:24,25 105:20 cutoff 63:23 d d 3:8 6:1 20:2,6 21:1 daily 59:10 72:6 75:15 76:13 81:9 84:23 102:8 dash 21:1 data 83:16,18,20 date 4:14 21:1,5,5,6 21:7,8,9,18 86:19 90:23 94:19 110:24 dated 14:18 28:20 35:2,3 62:22 dating 12:2 58:12 david 44:11 55:19 65:4,23 66:13,24 davis 2:3 5:10 day 2:22 8:19 22:12 30:10 33:5 39:17 43:24 61:3 64:22 69:3,3 71:14,14 72:25 73:18,18,25 73:25 74:8,8 110:17 days 8:19 65:5 104:15 dead 55:21 dealer 42:3 43:18,22 48:18 dealers 12:24 49:18 56:24 dealing 74:11 76:15 dealings 41:25 debenture 53:18 63:25 debentures 6:15 39:4 51:20 53:3,12 debit 21:19 31:7 59:6 60:14 debited 20:20 debiting 20:11 debts 52:13 59:10</p>	<p>debtor 1:12 4:25 december 14:7 28:20 29:1 110:24 decided 54:5 decisions 85:1 declaration 3:11,21 9:10 90:3 91:16 92:10,13,20,22 93:17,20 94:1,6,10 94:17,22 96:9,10,23 97:5,10,16,18,20 99:16 100:6,12 105:24 106:11 declarations 92:12 deduced 50:9 deemed 104:21 defendant 1:8 4:24 degroat 1:24 2:23 5:21 110:6,23 deleted 106:3 deliver 23:2 31:14 49:14 delivered 16:6 18:12 20:7,8,9 30:1 104:18,21 demonstrate 59:18 department 39:13 40:17 41:14 67:2 69:22 71:1 101:10 102:14 107:18,20 departments 46:17 61:1 depending 37:22 41:13 44:9 49:6 52:10 60:14 depends 33:8 45:18 45:18 deposition 1:16 2:19 3:10 4:11,17 6:11 7:6,17,20,23 8:16 8:18,22 91:12 95:24 96:4 100:16 109:3,6 110:9 depth 47:11</p>
--	--	---	--

[describe - extra]

Page 6

<p>describe 38:1 40:12 described 70:4,10 70:16 77:21 79:1 88:17 91:11 96:15 destroy 12:4 destroyed 11:20 13:13 52:7 56:4,21 destruction 12:11 detail 37:9 71:20 determine 93:5 dexter 2:4 5:13,13 dialogue 50:15 difference 20:8 27:14 60:11 92:17 differences 92:11,24 93:6 different 18:22 42:6 46:16,17 60:16 69:8 71:6 75:14 92:18,19 104:20 digitized 13:14 digits 103:21 dipascali 69:15 71:2 80:5,10,20 dipascali's 71:14 direct 6:6 104:8 directing 102:15 direction 110:10 directly 80:2,5,8 director 69:16 discombobulated 63:17 discussed 64:16 84:10 86:12 discussing 89:10 discussion 17:17 discussions 97:8,13 dispute 88:22 90:5 91:13 96:15 98:25 99:4,6,25 100:14,19 distribution 36:9 district 1:1 5:3 divided 69:7 dividends 102:17,23 107:12</p>	<p>division 69:9,11 divisions 69:8,20,23 70:16 docket 7:21 document 28:4 89:23 91:10 92:18 95:2,4 96:22 99:14 99:15 101:7,15 102:2,2,7,13 103:6 103:17,24 106:22 108:7,12 documentary 51:20 52:4 54:23 55:6 documents 91:6,6 91:11 100:14,17,18 108:15 doing 20:12,13 28:3 32:25 38:15,17,21 38:25 39:16,18 44:8 46:3 54:6 64:13,15 dollar 16:1,3,18 17:7 dollars 27:10 29:23 30:14 31:12 51:11 60:12 doors 61:4 dorothy 77:11 doubt 11:2 58:10 drafts 97:20 dte 52:25 duly 6:4 dumb 32:11 dumbfounded 39:22 50:6 duties 78:23 84:12</p>	<p>eight 24:17 29:8,9 either 13:8 16:7,16 22:22 32:19,22 43:16 48:8,22 51:1 52:20 64:25 83:19 90:8 94:15 98:3 eliminated 106:17 employed 110:14,15 employee 83:7 employees 70:12,15 71:13 77:22 79:2,21 81:13 82:7 84:13 85:7 87:18 ended 24:16 ends 95:23 103:20 107:9 entered 8:20 entire 7:8 8:17 39:7 entity 8:25 entries 30:6 59:6 entry 16:4 23:22 34:16 54:15 envelopes 76:9 equal 66:10 equals 102:19,19 equity 54:7 59:24 eric 71:3 73:24 77:21 erin 71:3 73:15,15 73:16 77:21 erin's 73:18 esq 2:3,4,9,9 essentially 37:9 establish 51:21 estimate 86:5 evelyn 75:19 eventually 23:1 everybody 39:12 42:2 60:23 75:4 79:25 evidence 54:23 55:7 67:10 exactly 14:2 28:25 examination 3:2 6:6 13:4 57:7 68:15</p>	<p>105:20 examine 93:5 examined 6:5 example 12:1 45:25 exception 56:4 exchange 65:20 100:5 exchanged 31:23 excuse 78:7 91:2 107:3 execute 39:1 43:12 executed 43:8 45:15 55:16 62:13,15 63:5 63:25 64:8,9 65:17 executing 37:13,23 44:2 46:21 53:16,17 execution 71:25 exercise 28:3 exhibit 3:10,11,12 3:13,14,15,16,17,18 3:19,20,21,22,24 4:1 7:18 9:1,3,7 14:10,14 28:6,10 30:19,22 33:23 34:2 34:21 35:16,20 37:3 37:7 55:2 61:17,23 61:24 62:2,21 92:7 92:11,13,15,15,19 92:22,25 93:2,9 99:18,19 100:22,23 100:24 101:1,5 103:5,6,8 106:24 107:7 108:8,11 exhibits 61:12 89:18 93:5 existed 53:5 existence 45:21 63:10 75:1 expiration 110:24 explain 15:10 22:9 48:3 59:20 explained 39:20 extension 79:25 extra 93:10</p>
---	--	---	--

[f - highway]

Page 7

<p>f</p> <p>f 3:8</p> <p>fact 9:17 12:24 16:11 33:7 39:17 43:19 49:21 57:2 58:21 59:18 100:2 106:10</p> <p>fair 13:8 62:4 72:3 77:25 81:13 108:1</p> <p>familiar 14:1 76:21 78:6,22 102:1</p> <p>far 56:16 98:16</p> <p>february 35:1,3</p> <p>federal 2:20 4:18</p> <p>fellow 71:3 87:6</p> <p>felt 67:7</p> <p>fictitious 67:11</p> <p>file 3:22,24 36:8 82:3 108:2,18</p> <p>filed 46:12,13 75:2</p> <p>files 10:14,16,22,24 10:25 11:5,12 12:3 13:10 82:4,8,11,14</p> <p>filing 79:6</p> <p>filled 12:13</p> <p>final 8:20</p> <p>finance 23:8</p> <p>financially 110:16</p> <p>financing 42:10</p> <p>find 39:19 54:23 55:6,12 56:8,13 57:18 58:11 66:20</p> <p>finish 52:2</p> <p>finra 59:9</p> <p>firm 10:3 38:11,13 46:6 55:25 60:21,24 69:5,7 78:15 87:5 87:14 88:3,19</p> <p>firm's 41:15 52:13 53:25 54:12</p> <p>firms 13:5 48:8 57:4 57:21 58:12 60:1,17 60:20</p>	<p>first 7:7 14:6 15:13 18:24 19:8,16 20:1 22:1,6 34:15 49:25 64:22 81:14 85:17 88:21 89:18 90:4 93:18,19,25 94:1,10</p> <p>five 59:25 61:7 71:8 105:9</p> <p>fixed 9:21</p> <p>floor 45:6,7 46:19 63:9,10 69:14 71:1 72:2,4,9 73:19 75:3 75:5 77:23 79:2,11 79:16,17,22 80:8 81:4,14 82:6,7,21 83:8 84:4,13,22 85:7</p> <p>floors 45:16 62:16 63:6</p> <p>focusing 47:22</p> <p>folder 101:11</p> <p>following 76:25</p> <p>follows 6:5</p> <p>foregoing 110:8</p> <p>forgive 32:10 41:1 54:21</p> <p>forgot 7:1 36:2 108:25</p> <p>form 46:12,13 75:2 104:5,24 105:24 106:9,25 107:10,11</p> <p>format 92:18</p> <p>former 68:18</p> <p>forms 33:8</p> <p>formula 66:4</p> <p>forth 59:16</p> <p>forward 7:20 8:17 15:14 25:5 26:17 29:4,7 34:9,11 42:21</p> <p>four 71:6,8 95:16</p> <p>fractional 24:3 30:13 31:19</p> <p>fran 77:18</p>	<p>frank 69:15 71:2,13 72:3,10 73:23 74:3 77:21 80:4,10 83:19 83:20 84:20 85:5</p> <p>frank's 71:4</p> <p>free 103:16</p> <p>further 7:3 8:15,23 23:9 55:23 68:1 93:4 105:6 108:23 108:25 110:13</p> <p>future 49:15</p> <p>g</p> <p>g 6:1</p> <p>general 12:16 55:25 56:2 84:19</p> <p>generally 33:5</p> <p>generate 60:25</p> <p>generated 6:13</p> <p>george 71:9,10 76:12</p> <p>getting 27:2 42:24</p> <p>give 71:20</p> <p>given 104:19 110:11</p> <p>go 4:12 7:3,20 8:2 8:14,16 15:9 21:8 23:9 27:1 29:18 30:15 33:13 41:15 42:13 43:16 48:9,13 48:15 49:21 52:16 53:21 54:4,7,11 55:23 58:16 59:5,23 75:1 78:5 81:3,4 82:3 84:21 95:21 96:8 103:18 108:25</p> <p>goes 23:25</p> <p>going 6:10 12:17 18:15 26:12 30:21 34:5 35:19,20 37:8 41:23 42:20,21 46:25 47:4 50:2 52:19 54:21 58:5,21 58:22 61:9 62:21 67:9 68:8,10 71:12 76:18 85:2 92:3</p>	<p>95:25 105:8,10,12 105:15</p> <p>good 6:8,9 49:5 55:1 68:17</p> <p>govern 7:5</p> <p>governs 7:8,16</p> <p>gradually 28:5</p> <p>great 28:1 68:25</p> <p>greg 5:13</p> <p>gregory 2:4</p> <p>group 65:4 75:10</p> <p>gte 31:14,21 32:6</p> <p>guess 65:7 67:9 70:14 72:23 78:11 78:17 85:24 88:23 96:16</p> <p>gun 66:1</p> <p>h</p> <p>h 3:8,8</p> <p>handed 28:9</p> <p>handing 34:24</p> <p>handle 78:4</p> <p>handled 45:6 72:15 75:7,10 84:12 102:6</p> <p>handling 74:10</p> <p>hands 51:3 59:12</p> <p>handwriting 66:13</p> <p>happened 20:15 28:25 65:20</p> <p>happening 22:9 34:3</p> <p>hard 13:1 20:24 31:24 57:3 75:9</p> <p>hchaitman 2:6</p> <p>hear 90:6</p> <p>heard 88:21 90:5</p> <p>held 4:17 5:1 17:17</p> <p>helen 2:3 5:10,14 6:22 42:13</p> <p>helped 73:22</p> <p>helpful 21:7</p> <p>hereto 92:15 110:15</p> <p>highway 2:21 4:19</p>
--	--	--	--

[hit - know]

Page 8

hit 17:7 hold 29:13 107:8 holder 16:24 host 58:19 hostetler 2:10 hours 13:3 57:8 household 15:20 18:8,22 19:17 23:8 huh 6:16,20 8:13 14:17 15:19 18:21 25:20 28:21 31:5,8 31:20 35:6 42:9 45:4 53:4 55:3 60:8 61:2 62:11 77:10,17 79:8,12 80:14 83:22 86:4 89:6 93:21 94:20 97:3 98:7,19 100:3 102:18 103:15,25 105:2 107:24 hundred 44:13 66:20 hundreds 39:16	including 44:25 46:22 78:25 80:9 104:17 indicated 7:19 15:4 97:1,19 indicates 10:16 35:3 individual 56:7 82:13 individuals 75:15 80:8,21 industries 21:11,12 21:24 22:2,7,11 23:6,16 24:1 26:5 27:5 industry 11:19 12:25 39:21 42:3 49:19 50:13 56:25 57:3 60:15 70:1 information 94:3 98:9,9 99:3 informed 96:14,20 98:23 initially 6:10 input 83:16,18 inquiries 80:13,25 instance 9:18 10:21 institute 4:18 institution 2:21 instruct 8:7 40:9 instructed 35:13 102:21 instructing 67:1 instruction 65:24 instructions 10:10 11:3 35:14 36:9,12 66:9,15,19,21,23 67:6 76:25 90:1 98:20 99:8 108:1 intact 11:12 interco 31:3,22 32:6 32:7 34:11 interest 102:17 107:12 interested 110:16	interfere 4:10 interim 29:10 internal 108:15 international 15:21 18:8 19:18 interviewed 65:5 investing 6:15 investment 1:7 4:24 9:14 45:6,14 46:7 46:11,12,14 52:18 54:1,12 68:19 69:13 69:17,18 71:1,17,22 72:12 74:17,24,25 75:8 76:16 78:1 79:3 84:17 investor 1:3 4:22 involve 40:23 involved 74:2 99:6,6 irving 5:17 47:11 64:17,19 98:24 issue 6:12 8:3 89:16 issued 90:1 98:18 issues 7:24 8:11 issuing 39:21 italian 87:6	judge 6:11,17 july 34:2 35:2 jumped 50:1 june 1:19 2:22 4:15 110:17 jurisdiction 11:25
i	j	j 23:21 jackson 76:21 77:9 77:16,22 january 64:5 jeffry 8:6 jerry 71:10 76:13 joanne 78:6,8,9 job 78:23 jodi 67:1 71:2 72:6 73:20 74:1 77:21 joe 87:7,10 joel 44:12 55:20 john 48:19 journal 23:7,23,24 30:13 31:18 journaled 24:5 jpmorgan 52:17 72:11,20 73:13	k
ibm 82:22,23 idea 32:18 identification 3:9 4:2 9:4 14:11 28:7 30:20 33:24 34:22 35:17 37:4 61:13 92:8 101:2 103:9 identify 5:8 ike 66:3 illegible 35:21 important 67:8 98:17 impose 8:24 impossible 12:14 13:5 57:9 improvement 28:4 inception 13:17 include 56:22 includes 56:21	individuals 75:15 80:8,21 industries 21:11,12 21:24 22:2,7,11 23:6,16 24:1 26:5 27:5 industry 11:19 12:25 39:21 42:3 49:19 50:13 56:25 57:3 60:15 70:1 information 94:3 98:9,9 99:3 informed 96:14,20 98:23 initially 6:10 input 83:16,18 inquiries 80:13,25 instance 9:18 10:21 institute 4:18 institution 2:21 instruct 8:7 40:9 instructed 35:13 102:21 instructing 67:1 instruction 65:24 instructions 10:10 11:3 35:14 36:9,12 66:9,15,19,21,23 67:6 76:25 90:1 98:20 99:8 108:1 intact 11:12 interco 31:3,22 32:6 32:7 34:11 interest 102:17 107:12 interested 110:16	investor 1:3 4:22 involve 40:23 involved 74:2 99:6,6 irving 5:17 47:11 64:17,19 98:24 issue 6:12 8:3 89:16 issued 90:1 98:18 issues 7:24 8:11 issuing 39:21 italian 87:6	k 13:25 katy 21:10,23 22:2,7 22:11 23:6,16,25 26:5 27:4 keep 10:25 42:21 56:18 57:10 kept 12:17,22 13:1 56:6,14,17 57:8 70:1 72:10 73:21 keypunch 84:2,3 khan 77:11,22 kind 38:15 50:15 kinds 60:17 62:5 knew 66:12 81:1 98:16 know 11:1,2,21,22 11:22,23 12:8,9,11 12:12,13,16 14:1 17:4,7 19:4 21:4 22:10,25 26:12 27:2 32:17 33:2 36:6,7 36:10 39:7,8,14,15 39:21 40:20 41:17 41:17 42:3,4 43:17 44:11,13 46:2,5,8 46:21 47:4 48:3 49:15 50:8,19 52:7 52:23,24 53:24 56:1 56:13 57:19 58:18 58:24 59:4,5,11,13 64:11,14 65:10 66:18 67:2,3,5,7,14 70:20,22,23 72:23 73:1,22 75:1,15 77:2 78:11,16 79:5 84:8 87:7,9,19 88:25 90:23 94:2,13

[know - market]

Page 9

97:24 98:6 99:7 100:1 101:10 107:15,25 108:16 knowledge 57:13 64:23 65:18 80:10 known 50:17 kugel 44:11 55:19 65:23 66:24 kugel's 66:13	levy 74:11 liabilities 51:13 limitations 7:21 8:12 limited 6:12,18 7:23 8:8 47:20 limiting 8:22 line 15:9,9,13 17:22 18:3,7 19:1,12,20 20:5,23 21:22 23:6 23:7,25 25:4,6,18 25:23 79:24 92:14 92:16 lines 10:9 18:25 19:8,16 20:1 22:7 lipkin 71:3 73:24 lisa 1:24 2:23 5:21 110:6,23 list 79:1 listed 71:13 92:14 literally 60:12,13 litigation 7:7,12 little 28:12 37:7 42:14 55:23 llc 1:7 located 4:19 london 38:14 long 13:2 15:18 18:1 18:19 19:8,11,17 20:17,18 22:24 23:24 26:5,5 27:3,5 27:14 30:17 31:16 32:5 33:15 34:12 36:11 43:24 54:17 58:13 74:14 78:11 longer 12:17,22 56:6 56:15 look 9:12 19:1 20:15 20:25 23:5 24:12 26:9 31:24 54:16,25 55:2 103:16 108:2 108:17 looked 30:24 66:22 100:17	looking 24:22 28:18 93:25 101:13 107:7 107:8 108:11 looks 15:13,18 21:5 21:9 25:13 26:14 27:16 29:20,21 66:13 67:14 94:2,3 101:9 102:5 108:15 loss 10:22,24 69:22 lost 11:8 lot 14:3 24:10 52:22 67:14 lower 32:23 lowered 34:7,8 lynch 39:11 48:18 59:25 60:6	mail 76:5,7 87:14,17 87:22 88:1,2,10,11 88:16,17 90:8 94:12 94:13 100:13 mailed 95:3,4 104:18 mailing 90:13 97:7 mailroom 71:7 76:3 76:9 mailroom's 76:4 maintain 13:5 maintained 13:9,10 82:5 maintaining 82:10 maintenance 104:18 major 98:13 maker 39:5,12 40:14 42:5 45:19 48:16,24 49:21 75:6 making 40:17 41:14 41:16 44:10 46:8,21 48:19 69:9 man 52:22 manager 69:18 managers 46:16 margin 104:18 mark 48:14 69:10 69:21 91:15 100:22 103:4 marked 4:1 7:18 9:1 9:3,7 14:10,13 28:6 28:9 30:19,22 33:23 34:2,21,25 35:16 37:3,6 61:12,17,23 61:24 62:20 91:20 91:21 92:7,11 93:9 101:1,5 103:8 106:24 market 24:24,24 27:3,15,15 30:16 39:5,12 40:14,17 41:14,16 42:5 43:17 43:19 44:10,18,20 44:21 45:19 46:8 48:10,13,16,24 49:2
I		m	
I 1:7,11,16 2:19 3:2 3:21 4:23,25 5:5 6:3 13:25 20:6 23:21 46:11,13 68:19 91:16 92:22 95:24 96:4 109:3 110:9 I.l.c. 4:24 68:19 I.l.p. 2:4,10 5:11,14 lack 47:13 lance 86:16 87:4,10 language 95:10,12 95:18 104:25 large 5:11,15 9:22 42:8 75:11 largest 39:5 laugh 67:13 laughing 67:13 law 51:12 89:1,13 lawyer 65:1 lawyers 65:4 67:15 leftover 24:4 legal 4:14 5:21 47:12 legible 37:7 55:1 lend 40:2 length 86:5 letter 35:15 36:25 88:23 90:15,17,21 90:24 91:1,3,5 108:3,18 letters 11:4,8 12:2,4 36:17 67:22 81:15 81:18,18,20 82:1		m 2:4 madoff 1:7,11,16 2:19 3:2,9,21 4:1,23 4:25 5:5,12,15 6:3,8 7:3,9,18 8:8 9:1,3,6 9:7 14:10 28:6,10 30:19 33:23 34:21 34:25 35:16 37:3 46:11,13 50:9 61:12 62:4,22 68:17,18,19 68:25 85:9 91:16,17 92:7,11,19,21,23,25 93:2,8,9,17 95:21 95:25 96:5,8,25 99:18,19 100:22 101:1,4,5 102:1 103:4,8,11,23 104:24 105:22 109:3 110:9 madoff's 8:18 madtbb01988418 3:23 100:25 madtbb01988419 101:23 madtbb01988420 3:23	

[market - okay]

Page 10

<p>49:5,5,13,21 69:9 75:6 marketplace 48:23 53:25 54:8,9 59:22 markup 48:12 married 14:5 martin 44:12 55:20 55:20 matched 96:18 material 106:3 matter 12:24 51:2 54:3 maximum 86:6 mean 10:25 11:17 16:5 22:23 24:2 34:17 43:23 49:22 50:4 54:24 71:22 77:13 79:4,5,25 83:2 102:20 meaning 48:22 57:20 79:6 means 16:19 48:9,12 48:16 49:10 60:24 102:21 meant 59:2 media 95:23 96:3 109:4 medium 2:21 4:19 meet 64:19,25 meeting 67:16 mentioned 7:15 73:15 75:13 76:3,12 83:12 91:5 merger 31:23 merrill 39:11 48:18 59:25 60:6 messengers 70:23 met 85:9,12 microfiche 56:22 microphones 4:6,10 mind 107:4 minute 61:7 65:19 94:23 97:23 105:9 minutes 68:7 86:6</p>	<p>misplaced 11:8 missing 92:13,16 mistake 107:21 model 72:1 moment 19:10 money 17:8 19:13 19:14 25:22 30:5,5 30:11 40:2 51:3 59:12 60:11 month 17:11,19 18:1 26:7 29:7 31:16 32:6 83:1 monthly 56:9 82:16 82:19 morning 6:8,9 62:6 68:17 moved 46:18 75:4 movement 17:5,8,9 19:13 20:21 30:7 31:17 movements 19:15 moving 30:11 mui 77:2,22</p>	<p>net 59:13,20,21 60:4 60:9,10,13 nets 60:2 never 38:12 39:17 50:10 51:6 56:8 59:2 86:9 87:16 102:25 new 1:1 2:5,5,11,11 5:3 13:16 14:20 25:8,19 26:19 30:14 52:16,20 90:10 non 8:20 normally 34:6 north 1:18 2:22 4:20 110:1 notary 1:24 2:24 110:7,24 note 4:6 8:15 92:9 100:22 102:19 103:5 notice 104:17,20 nscc 52:25 number 5:3,11,15 7:21 12:12 14:21,22 15:1 29:25 32:20 44:13,22 46:20,23 66:7,10 71:9 72:13 74:12 79:9 84:2 93:2 95:16,17,24 96:4 100:24,25 103:7 107:9 109:4 numbers 93:1 nutshell 51:14</p>	<p>obligation 49:3,14 obviously 32:17 occurred 59:3 odd 24:10 29:23 30:13 31:12 48:5 74:16 offer 40:20 offered 100:5 offhand 70:14 office 10:23 34:18 60:25 67:6 70:19 90:19 94:15 officially 75:1 oh 14:20 15:2 17:16 21:6,17 25:16 28:13 28:16 47:14 81:24 88:24 92:2 93:12 94:23 101:8,16 104:4 okay 6:25 7:2 9:6 10:5,8,21 12:1 13:12,16 14:13 15:3 15:6,7,8,17 17:21 18:3,3,14,23 19:3,6 19:16,23 20:23,23 21:6,7,14,22 22:8 22:16,20 23:4,13,15 23:17,19 24:7,9,12 25:4,18,24 26:4,7 26:16,22,25 27:17 28:1,3,13,13,18 29:11 30:18 31:1 33:18 34:1,15 35:9 35:18 36:17 37:24 38:3,16,23 40:9 41:21 43:12 44:24 45:1,11,13 47:2,24 48:1,1 50:22 51:4 51:15,18 53:2 54:21 55:4,11,23 57:17,23 58:2,14 61:6,25 62:15 63:20 64:10 64:12,16,25 65:9,15 67:25 68:2,6,9,22 68:22 69:3 70:3,7</p>
	<p>n</p>		
	<p>n 2:1 3:1,1,8 6:1 23:21 name 4:13 5:4 14:1 40:1 55:21 71:4,5 76:20 78:6 83:5 86:17 92:19,19,21 named 13:24 14:5 87:7 names 55:21 75:18 75:20 76:18 nasdaq 40:19,19 49:6 nc 2:21 necessarily 36:10 need 56:13 68:3 105:13 needed 12:19,20 35:14 neither 110:13</p>		
		<p>o</p>	
		<p>o 3:1,8 6:1 o'hara 76:13 object 104:14 105:4 objection 12:7 17:24 37:14 40:5 41:8,12 42:12 43:10,15 44:4 45:9,17 53:13,20 57:12 58:3 62:17 63:1,7,15 106:5,18 107:2 108:4,21</p>	

[okay - print]

Page 11

71:12 72:18 73:15 73:18,24 74:5 75:13 75:23 76:3,23 77:2 77:18,20 78:4,20,25 78:25 79:10,19 80:1 80:4 81:13 82:4,19 83:7,12,25 84:3,10 85:23 86:9,18,22 87:22 89:4,13 90:3 90:12,17 91:10,24 92:6 93:15,25 94:5 95:1,20 96:14,20,23 96:25,25 97:4,7 98:2,11,22,22 99:9 99:11 100:8,21 101:6,12,21 102:4,7 102:12,24 103:2,13 103:19,22,23 104:5 104:8,23 105:3,8 106:4,10,21 107:7 107:14,19,23,25 108:11,16,22 old 2:21 4:19 once 11:21 20:18 45:25 64:21 82:1 ones 26:13 29:10 open 43:17 44:21 79:2,4 opened 14:6 29:22 61:4 79:6 101:11 opening 26:9,15,16 26:19 29:2,3,4 36:4 operate 70:23 operations 61:1 66:15 67:2 70:18 107:18,20 operators 84:2,3 opposed 47:6,6 51:5 opposing 3:11 92:20 order 3:10 7:8,10,12 7:16,17,21 8:16,20 8:22,23,25 42:14,25 49:1,1 ordered 6:11,17	orders 6:23 7:5 organization 44:8 organizational 70:4 organizations 59:15 originally 20:14 ourself 60:22 outlined 90:15 outside 8:2 42:14,24 overall 7:5 overnight 60:3 owns 49:11 p p 2:1,1 6:1 page 9:8 34:3 92:25 93:1,2,3,3,22 101:13,14,16,20,22 101:25 102:16 103:14,19,21 107:9 108:7,12 pages 93:1,25 paid 11:23 59:15 paper 13:10 47:6,8 65:21 66:2 papers 79:7 paragraph 9:12 10:8 96:9,9,12,15 97:2 98:22 104:9,10 104:24 105:3 106:11,16 park 2:5 part 39:13 52:7 69:6 partially 64:4 particular 37:13 56:14 66:4,16,25 67:3 particularly 14:9 49:20 56:7 parties 4:12 5:8 110:15 pay 21:20 payment 9:21 payments 98:25 100:8	peg 63:21 64:12 people 44:1,7 45:15 46:21 48:5,5 50:12 55:14,15 63:5 66:16 67:2 70:19,19,24,25 71:8 75:14 77:20 79:1 perception 45:3 perez 76:13 perfect 21:6 68:24 period 11:19,21 12:4,18 20:16 28:25 33:6 37:12,18 38:16 39:7 45:20,25 49:7 51:24 56:19 58:23 63:9 65:6 67:19 78:12,13 94:16 permission 7:19 permit 42:21 permitted 8:1,10 51:16 permitting 8:16 person 8:24 83:6 85:12 110:2 personal 84:16 personally 81:5 83:10 94:5 104:21 peter 69:15 73:11 phone 10:9 35:13 56:11 79:21,24 86:4 88:11 physical 16:20 17:9 30:6 31:17 physically 22:25 33:1,11 46:17 73:3 73:7,7,8 79:6 83:25 picard 5:17 47:12 64:17,20 98:24 pick 4:7 picower 8:6 74:12 95:15 piece 66:2 pink 49:6 place 4:9 46:2 55:11 59:19 69:25 72:13	placing 93:8 101:4 plaintiff 1:5 4:23 plaza 2:10 please 4:6,8 36:19 36:20,23 91:18 92:1 point 34:17 81:14 92:25 pointed 59:3 policy 12:4 67:21 portion 24:4 102:16 position 25:14 32:2 54:18 99:4,12 positions 24:23,23 26:2 27:2,14 30:16 30:17 34:11 40:10 43:7 51:7 possible 11:1 possibly 55:16 72:24 post 64:13 practice 12:25 17:4 22:21 49:18 preferred 16:13 18:8,11,11 19:2,21 22:2,11,12,14,19 26:6 30:2 31:6 32:9 32:14,19,22 33:4 66:5,25 preferreds 18:10 prepared 93:17 99:22 present 5:6 67:15 pressure 57:2 pretty 71:10,15 72:2 85:8 previous 20:15,16 31:16 32:1,2,6 47:25 81:23 price 32:21,23 primarily 69:5 74:10 75:10 76:16 77:1 principal 48:3,12,21 49:20 51:1 print 83:10 84:6
---	---	--	--

[printed - related]

Page 12

<p>printed 73:4 83:1,2 prior 29:7 64:1 88:5 100:12 prison 85:21 86:14 prisons 87:21 private 4:8 probably 39:5 40:25 55:9 65:6,14 66:20 67:1 70:18 74:16 77:19 87:24 107:22 problem 51:8 procedure 17:5 35:10 69:24 procedures 69:6 proceed 5:23 process 52:8 58:21 73:22 produce 57:3,7 58:22 produced 13:3 29:15 57:25 65:21 professional 2:24 110:23 proffer 48:6 49:25 64:21 profit 3:11 6:12 7:24 8:2,9 26:23 32:24 34:7 35:4,10 36:9,12,19,20,24,24 37:1 47:20 51:15 64:17 65:16 88:22 89:15,24 90:5,16 91:12 92:21 96:18 100:14,19 profits 40:4 69:22 102:16 107:12 programmers 71:9 76:12 programming 71:25 proprietary 39:13 69:11 75:6 prosecutor 50:1 59:1 protection 1:3 4:22</p>	<p>protective 7:5,7,12 7:16 8:25 prove 52:5 provide 16:12 provided 7:9 public 1:24 2:24 45:2 48:19 110:7,24 purchase 22:1 32:9 32:21 33:14 39:1 41:6,10 42:15 purchased 21:18,19 purchases 50:25 60:12 purchasing 42:7 put 6:23 11:3 13:19 69:24 81:18 83:16 83:25 85:2 103:3 putting 33:11 100:16 pw 34:6,16</p>	<p>47:17,25 58:15 76:18 81:21,23 95:14 101:8 104:9 reads 10:8 ready 103:11 really 10:24 74:3,25 102:25 reardon 73:16 reason 11:11 47:11 48:4 49:24 56:8,17 87:21 98:15 recall 9:10,17,24 10:21 11:7 13:24 14:8,8 15:3,25 44:1 44:7 51:21 67:23 73:14 88:8 91:1,6 94:16,23 95:8 96:10 96:11 97:5 100:15 105:22 receipt 104:15 receipts 52:9 receive 9:22 17:4 31:14 94:10 96:18 97:19 102:22,23 received 10:17 15:23 16:2,3,6,16 16:17,19 18:4 19:9 20:1,4,9 30:4 34:18 81:15,17 82:1 88:23 88:24 89:17 90:7,12 90:23 94:4,11,14,17 96:23 97:24 98:8,25 99:1 100:13 104:20 104:22 receiving 16:4 recess 61:11 68:12 96:2 105:17 recognize 101:7 103:23 recollection 12:10 52:17 76:19 record 4:5,12 6:23 8:15 9:13 11:18,18 17:17 35:19 52:8 55:9 56:18 58:17</p>	<p>61:10,14 68:11,13 91:16 92:10 95:22 95:25 96:6 100:23 101:12,21 103:5 104:10 105:16,18 108:25 109:2 110:11 recorded 10:9 recording 4:11 records 11:20 12:11 12:15,17,19,20,22 12:23 13:1,2,6,9,12 14:15 36:22 51:13 51:21 52:4 56:2,15 56:16,17,18 57:3,8 57:10,15,19,20,23 58:23 66:21 redirect 68:1 105:20 reduced 13:2 34:9 110:10 refer 12:19,20 68:22 referred 33:16 34:6 40:22 45:12 69:14 82:23 referring 10:3 22:1 25:25 27:4 74:23 89:5,8 99:15 101:22 reflect 35:19 101:22 reflected 17:2 51:7 59:11 63:14 reflecting 51:12 reflects 15:11 refresh 76:19 regarding 88:22,24 90:5 registered 2:24 48:24 110:23 regular 59:24 regulation 48:25 regulators 59:9 reinvest 102:20 related 7:25 16:10 31:22 32:20 71:21 74:11 87:8 100:14 110:14</p>
	<p>q</p> <p>quarter 36:7,10,13 36:15 quarterly 9:21 36:6 36:8 question 27:6 40:7 47:3 50:7 65:20 81:23 89:22 98:17 103:12 106:21 questioned 105:23 questions 6:10 8:5 68:1,3 79:19 85:1 105:7 quoted 40:18 49:5</p>		
	<p>r</p> <p>r 2:1,9 6:1 13:25 20:2 23:21 102:19 raise 89:15 ran 72:1 77:25 83:2 83:3 rarely 82:15 reach 97:11 read 9:13 18:16 20:24 29:21 47:16</p>		

[relating - seen]

Page 13

<p>relating 65:20 67:19 71:15 79:20 83:13 87:18 89:2,24 91:12 100:18 relationship 13:17 relatively 86:4 relevant 98:13 remain 8:19 remark 39:23 50:9 remarks 47:12 remember 17:5 37:12,15 38:20 55:21 65:6,25 66:5 71:4 72:25 73:2 75:18,19 78:10,14 79:5 90:18 94:25 95:10,12,15,16,17 95:18 98:15,16 106:2,7 107:4 remodeled 74:4 remotely 5:7 report 70:7 reported 1:24 59:8,9 70:10 76:1 reporter 2:24 5:20 110:6,23 represent 5:9 25:21 represented 65:1 representing 4:13 5:15,21 reprint 91:9 repurchase 33:14 request 9:16,19,22 10:12,17 34:18 35:13 36:3,7 57:7 108:17 requested 36:5 57:1 requesting 11:4 35:15 requests 9:20 10:13 10:15 13:18 35:10 require 13:18 105:3 required 8:7 11:18 46:16 48:24</p>	<p>requirement 11:18 56:3 57:6 requirements 45:23 57:1 69:19 requires 49:16 requiring 12:25 67:21 resale 33:15 research 58:23 resend 106:15 reserve 93:4 respect 36:17 37:24 43:2 44:16 51:19 67:21 84:17 respond 80:13,24 responsibilities 69:4 71:14 73:19,25 74:9 76:14 84:17 responsibility 76:4 responsible 11:1 82:10 rest 70:22 92:4 retained 10:13 55:9 retaining 12:14 retention 11:18 52:8 56:19 returns 56:9 reversed 22:22 review 81:5,8 82:13 100:13 reviewed 44:3 45:15 47:23 62:6 91:11 100:18 reviewing 43:13 100:12 right 13:14 14:3 15:21,23 18:5,13,18 19:19,24 20:1,3 21:13,15,24 22:18 23:21 24:15,19 25:7 25:9,17 26:3,16,18 27:8,9,11 28:13 29:2,10,14,24 31:7 31:11,11,13 32:3,3 33:22 34:1,24 37:11</p>	<p>39:9 43:6 48:2 50:20 52:3 53:8 54:11,15 55:5 58:6 59:25 61:6 62:23 67:25 71:19 77:3,15 77:24 83:15 89:9 98:1 99:2,17 101:9 107:1 108:9,13 rights 93:4 rob 90:11 robert 2:14 89:14 90:8 94:15 rockefeller 2:10 role 76:24 77:7 roman 89:14,14,15 90:8,11 94:15 room 5:7 83:6 roughly 27:8 routine 12:10 rpr 1:24 rule 12:17 55:25 56:2 run 69:23 runs 60:15</p>	<p>sbrown 2:12 scan 57:10 scope 8:2 42:14,24 scrap 65:21 scribbling 65:22 seal 8:19 seanna 2:9 5:16 sec 45:22 48:4 57:1 70:1 second 7:16 19:12 55:2 90:4 101:20,25 107:9 108:7 securities 1:3,7 4:22 4:24 11:19 16:4,6 16:20 17:6,9,10 18:1,22 19:5 20:21 22:22 26:1 27:24,25 29:25 30:7 31:10,11 31:17,24 32:15 33:4 39:6 40:1,2,10,15 42:6 43:4 44:17,19 46:11,14 47:4 51:1 52:15 54:8 59:15 68:19 security 16:10,11,16 18:11 19:14 20:14 26:1 27:1 30:15 32:18 40:19 42:5 43:20,23 44:20 46:25 49:4 54:5,10 56:14 66:17 67:3 see 14:20,21 17:13 17:16 21:1,2 23:14 23:22 24:14,20 25:5 25:16,18 29:4 34:4 61:21 67:6 86:8,10 86:12 87:9,10,18 92:24 95:14 97:22 107:10,11 108:2 seeing 30:16 95:15 95:16,17,18 96:11 seen 34:16 36:17,23 43:3 93:18,19 94:1 102:25</p>
		<p>s</p>	
		<p>s 2:1 3:1,8 6:1 102:19 s's 107:11 sala 78:6,8,25 sala's 78:22 sale 30:12 32:8,23 sales 50:25 60:13 sanctions 8:24 sat 83:6 saw 64:24 saying 25:2 36:25 42:15 45:13 51:22 52:5 53:15 56:12 77:3 says 9:14 18:7,11,17 19:1 20:1,6,25 23:4 23:5,6,21,25 25:18 26:1 102:16</p>	

[self - strategy]

Page 14

<p>self 38:11 61:4 sell 16:12,13 22:23 43:23 48:8,14 49:4 49:16 54:5,9 selling 29:20,20 40:21 48:17,19,21 sells 16:10 60:10 send 9:15 35:15 36:12,15,19,20,23 37:1 102:19,19 sending 9:24 sensitive 4:7 sent 9:18 34:13,14 35:7 36:5,6,25,25 81:2 82:16 87:17 89:23,25 97:1,2,18 99:7 105:23,25 106:2,13 sentence 89:5 separate 69:23 separation 46:7 setting 88:6 settlement 21:5,7,9 30:11 59:14,20,21 60:4,9 seven 50:14 seventh 63:10 share 31:19 shares 15:20 17:23 18:4 21:10,20,23 22:13 24:3,4,10 29:25 30:1,4,13 32:15,20 66:7,11 sheehan 65:4 sheets 49:6 short 16:13 18:17,20 18:25 19:6,12,20 20:6,18 21:23 22:17 22:24 23:3 27:5,14 30:17 31:10,11,16 32:6 33:15 34:12 47:9 48:14,15,25 49:10,22 50:3 51:7 54:11,17 68:5 86:4</p>	<p>shorted 48:23 shorting 51:9,11 show 9:6 14:13 25:14,14 26:7 30:21 34:1 37:6 61:16 62:20 showed 66:2 89:19 showing 24:8 29:2 sic 5:4 side 25:15 46:8,18 69:13,17,18 74:18 74:19,22 75:6 sided 49:2 sides 32:8 sign 72:16,23 73:3 95:4 signatory 72:24 signature 9:8 73:4 93:23 97:25 109:5 110:21 signed 7:11 13:21 58:11 72:20 73:8 89:23 90:14 91:1,3 95:19 96:10 97:25 98:4 106:8,10,22,25 108:8,13 signing 9:10 73:12 signs 56:23 similar 34:25 70:19 77:7 90:14 92:10 94:3 similarly 13:18 simplistic 41:1 single 9:17 situation 24:6 33:10 six 11:17 12:18 56:3 56:18 57:8,14 67:15 sixty 70:21 skip 29:7 skipped 29:12 62:22 84:15 slight 28:4 smb 1:6 5:4 smoking 66:1</p>	<p>sofie 14:5,19 28:19 sold 22:1,13,17 31:11 33:14 47:5 50:2,4,10,11 solutions 4:14 5:22 somebody 43:21 49:8 79:17 son 69:10,12 sons 69:21 sorkin 66:3 sorry 6:24 22:6 26:12 28:13,16 78:4 81:21,24 92:15 93:12 97:1 100:24 103:20 108:24 sort 12:21 33:19 34:7 60:7 66:1 70:24 89:3 90:2 98:9 sought 99:25 sound 32:10 sounds 14:1 southern 1:1 5:2 space 12:14 speak 69:20 80:22 88:10 speaking 84:11 specific 7:6,17 36:7 45:24 78:23 99:11 103:14 specifically 8:4 9:16 10:12 64:1 specifics 76:23 spite 39:17 split 47:7 51:5 53:6 53:9,17 64:14,15 71:23 72:1 85:3 spoke 64:24 85:19 86:2 88:9 spoken 85:25 87:4,6 staff 11:3 standpoint 54:18 stanley 74:12 start 15:13</p>	<p>started 24:13 64:13 67:12,13 69:25 starting 42:13 state 110:1,8 stated 19:14 statement 3:12,13 3:14,15,16,17,18,19 3:20 14:18 15:10,11 17:13,21 28:18 34:25 35:2 57:19 100:4 statements 29:15 43:5,14 56:9 57:24 58:9 74:11 76:6,10 82:16,19 83:1,10 84:11 104:11,12 states 1:1 5:2 8:17 8:23 38:13 98:23 stating 10:2 stayed 78:15 stearns 38:8,18 39:1 39:11,25,25 40:9,13 40:25 41:2,18 42:1 42:8 43:19 60:6 step 78:5 sticker 91:18,25 sticking 51:15 90:4 101:25 stock 16:12,13 33:14 41:5 42:8 44:10 48:15,17,21,25 49:8 49:9,10,11,14,22 50:3,5,10,11 51:10 54:12 59:21,23 stockbrokers 9:15 stocks 49:20 stone 45:5 stopped 39:21 storage 13:14 stored 14:15 strategy 6:13 37:11 37:13,19 38:1 53:2 53:6 62:8,25,25 63:25</p>
---	--	--	--

[street - two]

Page 15

<p>street 57:20 street's 56:16 stressing 49:24 strike 47:7 51:5 53:6 53:9,17 64:14,15 71:23 72:1 78:4 85:3 struck 97:1 structure 41:25 structured 39:25 46:15 stuff 76:9 stunned 50:15 subject 6:18 68:1 subordinated 6:15 32:11 53:12,18 suisse 60:7 supervise 46:16 supervised 69:10,11 69:14 supervising 69:5 84:19 supervisor 78:20 supervisor's 11:25 supervisors 70:3,9 supposed 56:20 sure 11:16 25:1 35:25 40:6 41:22 42:19 47:18 61:18 68:4 83:5,5 92:2 97:24 107:21 swear 5:22 sworn 6:4 system 83:13</p>	<p>talked 18:5 talking 23:10 46:3 50:24 101:14 tape 95:22 task 13:5 tax 56:9,12 telephone 85:19 87:2 tell 7:4 14:2,21 31:24 61:8 76:20 84:16 86:18,20 92:12 101:13,14,17 104:1 107:4 ten 104:15 testified 6:5 88:9 testify 8:10 testimony 6:18 8:8 10:1 43:7 47:19 62:12 63:23 99:24 110:11 thank 6:21 7:14 9:2 28:1 30:18 35:25 61:25 62:1 93:13 95:20 103:2 104:23 theater 50:8,18 thing 18:5,16 28:23 29:19 30:3,8 47:10 47:12 49:25 67:17 98:17 101:8 things 12:21 63:17 think 24:16,17 27:6 28:5 36:3,11 42:13 42:23 47:3 61:22 65:22,23 71:4,10 72:24 73:21 77:12 78:14 81:19 85:6 86:2,17 89:17,19 90:10 94:24 95:21 third 19:20 20:5 108:12 thought 65:25 88:9 91:8 thousands 39:16 three 9:8 10:8 70:16 93:1,3,22 95:17</p>	<p>103:21 time 4:15 5:6 11:10 11:20,21 12:5 21:1 28:25 34:15,17 37:12,15,18 38:16 45:20 49:7 53:6,15 55:15 58:23 59:2 61:10,15 64:23 65:6 66:3,24 68:11,14 80:17 85:17 88:21 90:4 93:19 94:1,16 95:25 96:5 105:16 105:19 109:4 times 44:20 48:25 today 7:4,10 8:1 10:6 68:23 85:10,15 86:9 100:17 today's 4:14 88:6,12 88:13 91:12 94:19 100:16 told 11:7 99:24 top 20:25 25:6 topic 95:13 total 70:12 totally 54:19 track 47:15 trade 21:5,6,8 30:10 48:12 49:20 55:22 trader 39:6 44:10 66:23,25 traders 44:14,16,18 44:22 46:24 55:22 62:16 65:22 70:18 trades 38:4 63:24 64:17 71:24 72:1 74:4 76:17 85:2,3 trading 6:13 37:11 37:13 38:15 39:13 48:2 53:25 54:12 57:4,21 62:8,25 69:11 transaction 16:15 20:19 24:5,11 31:5 33:3,13 40:23 41:15 46:22 48:20 49:17</p>	<p>49:22 51:3 52:10,12 54:7,14 55:10 58:25 59:2 60:22 66:19 67:10,11 transactions 7:24,25 8:9 15:11 23:20 25:23 26:24 30:9 37:25 39:16 40:3,13 43:2,13 44:3,16 45:14 46:4 47:5,6,7 47:8,22 50:23 51:23 52:18,24 53:16,18 53:23 55:17 56:5 58:24 59:4,8,10,19 60:3,14,19 61:5 62:5,13 63:5,13,14 65:16 72:13 73:23 104:12 105:4 transcript 8:17 110:4,11 treading 42:23 treatment 3:11 92:20 tried 66:18 true 10:19 100:2,4 108:19 110:11 trust 52:21 trustee 2:8 5:17,19 11:10 56:2 58:1 59:1 67:20 68:15 98:23 100:24 103:6 trustee's 3:11 92:20 trying 72:24 86:8 89:19 turn 4:8 74:5 93:22 104:8 twelve 29:9 twice 86:2,3,12 two 9:12 18:21 19:8 19:16 20:1 22:7 23:18 49:2 54:3 65:5,7 86:19,25 87:1 92:12 93:1,3 93:25 96:4 101:18 101:19 109:4</p>
<p>t</p>			
<p>t 3:1,1,8,8 20:25 take 18:3 25:4 27:13 28:24 54:25 59:19 61:7 68:5 80:11 92:5 105:9 taken 1:17 2:20 79:21 110:9 talk 55:16</p>			

[years - york]

Page 17

74:16 81:7 85:24
86:3,23 87:23
york 1:1 2:5,5,11,11
5:3 14:20 52:16,20
90:10